

By Mr. TAYLOR of Tennessee: A bill (H. R. 8803) granting a pension to Rebecca Fields; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8804) granting an increase of pension to Bailey Carson; to the Committee on Pensions.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3685. By Mr. CURLEY: Petition of the Capital District Typothetae, of Albany, N. Y., urging repeal of the undistributed-profits tax; to the Committee on Ways and Means.

3686. Also, petition of the nonpartisan employers of Troy, N. Y., urging repeal of undistributed-profits tax; to the Committee on Ways and Means.

3687. Also, petition of the United Federal Workers of America, Internal Revenue Local No. 47, endorsing House bill 8428, introduced by Congressman BIGELOW, and Senate bill 3051, introduced by Senator LOGAN, providing for the hearing and disposition of civil-service appeals from discriminatory treatment by superiors in the Federal service; to the Committee on the Civil Service.

3688. By Mr. LAMBERTSON: Petition of Mary Hixson and 20 other members of the Carson Club, Hiawatha, Kans., urging that all American ships and troops be withdrawn from the war zone in China that we might not engage in a foreign war; to the Committee on Military Affairs.

3689. Also, petition of Mrs. Otto Stunz and 12 others, of Hiawatha, Kans., asking that our American citizens be ordered out of China unless they wish to remain at their own risk, our warships be withdrawn from Chinese waters, and that the Ludlow and Capper referendum on war be instituted; to the Committee on Military Affairs.

3690. By Mr. RICH: Petition of the Williamsport (Pa.) Local, No. 1117, Brotherhood of Painters, Decorators, and Paperhangers of America, supporting the Black-Connery labor bill; to the Committee on Labor.

3691. By Mrs. ROGERS of Massachusetts: Petition of the City Council of New Bedford, Mass., favoring House Resolutions 354 and 355, directing the United States Tariff Commission to investigate the differences in the costs of production of domestic articles and of any like or similar foreign articles in cotton cloths; to the Committee on Interstate and Foreign Commerce.

3692. By the SPEAKER: Petition of representatives of business in Green Island, N. Y., relative to the undistributed-profits tax; to the Committee on Ways and Means.

3693. Also, petition of representatives of business establishments in Springfield, Mass., relating to the undistributed-profits tax; to the Committee on Ways and Means.

3694. Also, petition of the Brotherhood of Painters, Decorators, and Paperhangers of America, relating to a Nationwide movement against war; to the Committee on Foreign Affairs.

3695. Also, petition of the Disabled American Veterans of the World War, third district, Department of California, relating to a great injustice done the disabled emergency officers by the unjust insertion of the causative factor into the regulations governing the applications of the so-called Economy Act to the cases of World War emergency officers who are disabled; to the Committee on Military Affairs.

3696. Also, petition of the employees of the Stevens Linen Works and citizens of the towns of Webster and Dudley, relative to the economic welfare of our people; to the Committee on Ways and Means.

3697. Also, petition of the United States Live Stock Sanitary Association, relating to the protection of livestock in the United States; to the Committee on Agriculture.

3698. Also, petition of the Belknap County Commissioners, Laconia, N. H., relative to the proposed General Welfare Act (H. R. 4199); to the Committee on Ways and Means.

3699. Also, petition of the members of the ship's committee of the American steamship *Southern Cross*, relating to American merchant marine; to the Committee on Merchant Marine and Fisheries.

3700. Also, petition of the Council of the City of Cincinnati, relating to the Wagner housing program; to the Committee on Banking and Currency.

3701. Also, petition of the Tuscaloosa County Agricultural Association, Tuscaloosa, Ala., petitioning consideration of their resolution with reference to agricultural legislation; to the Committee on Agriculture.

## HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 4, 1938

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

May we recognize in Thee, Almighty God, a loving father; inspire us with that trust which a child has toward his earthly parent. Do Thou keep very near us; cleanse us from all fear and arm us with that strength which is the shield of true manhood. Without presumption, without haste, and without confusion, may we keep the pathway of patriotic service. Grant that the claims of truth and brotherhood may abound in the presence of the divine Teacher. By distrust we fail; by faith we rise; by the vision of the false we become disobedient; by the vision of noble things we are made upright. Heavenly Father, we pray Thee, make us strong in understanding, of even temper, and full of hope, giving attention to wise manliness of stature and of true, heroic worth before our fellow countrymen. In the name of the Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### RESIGNATION OF A MEMBER

The SPEAKER laid before the House the following communication:

HON. WILLIAM B. BANKHEAD,

*Speaker, House of Representatives, Washington, D. C.*

MY DEAR MR. SPEAKER: I have the honor to inform you that I have this day transmitted to the Governor of the Commonwealth of Pennsylvania my resignation as Member of Congress from the Thirty-third Congressional District of Pennsylvania, said resignation to be effective on January 3, 1938, at 9:30 a. m.

Respectfully yours,

HENRY ELLENBOGEN.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that on today, after the disposition of the business on the Speaker's table, I may be permitted to address the House for 30 minutes.

The SPEAKER. Will the gentleman include in his request the disposition of the legislative program for the day?

Mr. PATMAN. Yes, Mr. Speaker.

The SPEAKER. The gentleman from Texas asks unanimous consent that on today, after the disposition of the matters on the Speaker's table and the legislative program for the day, he may be permitted to address the House for 30 minutes. Is there objection?

There was no objection.

#### EXTENSION OF REMARKS

Mr. SANDERS asked and was given permission to extend his own remarks in the RECORD.

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address I delivered over the radio last Wednesday.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MERRITT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered by the Postmaster General at the dedication of the Auburn, N. Y., post office.

Mr. RICH. Mr. Speaker, reserving the right to object—and I am not going to object—I see we are starting again in this session to have inserted in the RECORD speeches of the Postmaster General and the chairman of the Democratic National Committee. His speeches take up more space in the

RECORD than the remarks of any Member of Congress. We are not only doing this, Mr. Speaker, but we are having requests to insert newspaper articles. I wonder whether the Members on that side are going to permit everything to go in the RECORD that Members of Congress may want to have inserted, and thus cause the RECORD to be anything but a record of the proceedings of the Congress. This is not the right thing to do.

Mr. RAYBURN. Mr. Speaker, reserving the right to object, if I understand correctly, the gentleman is a member of the Joint Committee on Printing.

Mr. RICH. I am, and I have tried my best to keep these things out, but I cannot do it.

Mr. RAYBURN. Several times since last January I have made the suggestion that the Joint Committee on Printing should establish a rule with reference to what should go in the RECORD, but it does not seem we will get such a rule. I may repeat to the gentleman the statement I have made so many times, that I do not believe newspaper articles, newspaper editorials, or speeches made by people outside of public life, and so forth, should go in the RECORD. However, I do not feel like protecting the RECORD here and denying Members on either side of the aisle an opportunity to insert such matters in the RECORD when we know that if it is not done here it will be done in another body. I do not believe it is fair to the Members of the House of Representatives for me or any other Member to stand here and object to these requests, when we know the matters are going in the RECORD anyway.

Mr. RICH. May I say to the majority leader I agree with him 100 percent. We have taken up the matter with the chairman of the Committee on Printing of the Senate, but we cannot get the Senate to act. I am hopeful that by bringing this matter before the House of Representatives it will get back to the Senate, which may take some action to conform to the ideas of the Members of the House who are on the Joint Committee on Printing. The gentleman from North Carolina [Mr. LAMBETH], who is one of the finest men in the House of Representatives, has tried to eliminate this practice but he cannot get the Senate to act. I am hopeful that by bringing this matter to the attention of the House it will appear in the RECORD and be called to the attention of the Senate, and that the Senate will do something about it.

Mr. RAYBURN. Hope springs eternal.

Mr. SNELL. Reserving the right to object, Mr. Speaker, may I ask the gentleman from New York [Mr. MERRITT] if the Postmaster General in this speech explains the deficit in the Post Office Department for last year, which amounts to approximately \$45,000,000, although we were told throughout the year that the Department was running at a very nice profit.

Mr. MERRITT. If the gentleman will read this speech after it is placed in the RECORD, he will find it contains many interesting historical and Republican facts pertaining to Auburn and its vicinity.

Mr. SNELL. There is no reference to the question in which I am interested?

Mr. MERRITT. I may also call to the attention of the gentleman from New York that the Postmaster General makes reference to the tremendous amount of business done by parcel post in this particular district.

Mr. SNELL. There is no reference whatever to the deficit?

Mr. MERRITT. As a matter of fact, I do not believe there is a deficit.

Mr. SNELL. He admits there is a deficit of \$45,000,000, although we have been continually told the Department has been running at a profit.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered by Hon. Harold L. Ickes, Secretary of the Interior.

Mr. RICH. Reserving the right to object, Mr. Speaker, I wonder whether the Secretary is going to repent of some of the things he stated the other day about the 60 families,

when he attempted to show the American people there are only 60 families in this country in control of business. This is the most ridiculous and asinine statement ever made by a public official.

Mr. MAVERICK. Whatever he said, it is important and concerns the Government. It ought to be in the RECORD; it should not be suppressed.

Mr. THOMAS of New Jersey. Reserving the right to object, Mr. Speaker, I believe it will be a very good idea to have this speech in the RECORD word for word.

Mr. MAVERICK. Every word will be in the RECORD, and I am glad the gentleman is willing for it to appear.

Mr. THOMAS of New Jersey. Then every Member of the Congress can read every word of it and really understand it the way it should be understood.

Mr. MAVERICK. Yes; and I hope the gentleman will understand it.

Mr. THOMAS of New Jersey. I say this because I think this is one of the worst speeches ever made by a member of any party.

Mr. MAVERICK. I hope it will help the gentleman. Whether it is the worst or the best, it ought to be read in full by every American, including the gentleman.

Mr. FISH and Mr. O'CONNOR of New York rose.

Mr. FISH. Mr. Speaker, I reserve the right to object. I would like to ask the gentleman if he will not also insert in the RECORD the speech made by Robert H. Jackson, an Assistant Attorney General?

Mr. MAVERICK. Sure. We will do that in just a moment if no one objects and thereby suppresses it.

Mr. O'CONNOR of New York. Mr. Speaker, reserving the right to object, what I want to find out is what happened to the other 340 families? When I was being brought up I believed that all the wrong in the country was in the "400," and now they are down to 60.

Mr. KNUTSON. Times have been getting harder.

Mr. O'CONNOR of New York. What has happened to the other 340?

Mr. MAVERICK. I may say to the gentleman there has been a greater concentration of wealth since he was a boy in New York. The "upper 400," as I understand it, are society people in New York City. Anyhow, we will admit that there are some big fortunes in the country; they are worth reading about.

Personally, I do not think any class of people in this country are sacred—whether 60 or 400, or thousands, the truth should be known.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. WADSWORTH. I object, Mr. Speaker.

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein four speeches by the Honorable Robert H. Jackson.

Mr. KNUTSON. I object, Mr. Speaker.

Mrs. O'DAY. Will the gentleman withhold his objection a moment?

Mr. KNUTSON. I will withhold the objection.

Mrs. O'DAY. I think the members of the gentleman's party will want to refer probably to this speech from time to time, and this would be a great convenience to them.

Mr. KNUTSON. I do not believe the members of "the gentleman's party" will want to refer to any nightmare speech such as Mr. Jackson delivered.

The SPEAKER. Does the gentleman from Minnesota object?

Mr. KNUTSON. It seems we want to make it a campaign document, so I withdraw my objection, Mr. Speaker.

Mr. SNELL. Mr. Speaker, reserving the right to object, I would like to ask the gentlewoman from New York if she is sure the President approves of this speech and wants it in the RECORD?

Mrs. O'DAY. I have not communicated with the President about it.

Mr. SNELL. From what he said yesterday, I would not think he approved of it.

Mr. WADSWORTH. Mr. Speaker, reserving the right to object, is this the Jackson speech?



Mrs. O'DAY. Yes.

Mr. WADSWORTH. In view of the uncertainty surrounding its reliability, I think I shall object, Mr. Speaker.

The SPEAKER. Objection is heard.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes following the remarks of the gentleman from Texas [Mr. PATMAN].

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### EXTENSION OF REMARKS

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Ludlow resolution by including a letter written to me and my answer thereto.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include therein a statement by the Secretary of the Interior advising that the President had approved the Colorado-Big Thompson reclamation project.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include therein a radio speech on slum clearance which I delivered over station WBNY last Tuesday.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. IGLESIAS and Mr. MEAD asked and were given permission to extend their own remarks in the RECORD.

#### THE PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

#### HENRY FISCHER

The Clerk called the bill (H. R. 1835) for the relief of Henry Fischer.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to pay to Henry Fischer, the foster father of Edward R. Fischer (A. S. 3465043), late corporal, Fifteenth Service Company, Signal Corps, United States Army, all such installments of money remaining unpaid on the insurance policy (XC-66180) which he would be entitled to receive, and in the same manner as though the said Henry Fischer were within the restricted permitted class of beneficiaries for war-risk insurance.

Mr. HANCOCK of New York. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: Line 10, after the word "were", strike out the balance of the paragraph and insert "entitled to inherit the deceased veteran's estate under the laws of descent and distribution of the State of Minnesota."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to; and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

#### JOLIET NATIONAL BANK AND COMMERCIAL TRUST & SAVINGS BANK OF JOLIET

The Clerk called the bill (H. R. 3232) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claims of Joliet National Bank, of Joliet, Ill., and Commercial Trust & Savings Bank, of Joliet, Ill., arising out of loans to the Joliet Forge Co., of Joliet, Ill., for the providing of additional plant facilities and material for the construction of steel forgings during the World War.

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Mr. BARDEN and Mr. HANCOCK of New York objected, and the bill was recommitted to the Committee on Claims.

#### DEWITT F. M'LAURINE

The Clerk called the bill (H. R. 5006) for the relief of DeWitt F. McLaurine.

Mr. BARDEN and Mr. HANCOCK of New York objected, and the bill was recommitted to the Committee on Claims.

#### EMPLOYEES OF MINNEAPOLIS STEEL & MACHINERY CO. AND OTHERS

The Clerk called the bill (H. R. 5781) to provide for the carrying out of the award of the National War Labor Board of April 11, 1919, and the decision of the Secretary of War of date November 30, 1920, in favor of certain employees of the Minneapolis Steel & Machinery Co., Minneapolis, Minn.; of the St. Paul Foundry Co., St. Paul, Minn.; of the American Hoist & Derrick Co., St. Paul, Minn.; and of the Twin City Forge & Foundry Co., Stillwater, Minn.

Mr. HANCOCK of New York and Mr. BARDEN objected, and the bill was recommitted to the Committee on Claims.

#### MRS. GEORGE ORR

The Clerk called the bill (H. R. 8021) for the relief of Mrs. George Orr.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. George Orr, of Tuckerton, N. J., widow of George Orr, late an employee of the Consular Service of the United States, the sum of \$5,500, such sum representing 1 year's salary of her deceased husband, who died while in the Foreign Service.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This disposes of the Private Calendar. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

#### A FEW MEN CONTROLLING A FEW BANKS CONTROL THE WEALTH OF THE NATION

Mr. PATMAN. Mr. Speaker, yesterday the President of the United States, commenting on the concentration of economic control, control of other people's money, other people's labor, other people's lives, stated:

In many instances such concentrations cannot be justified on the ground of operating efficiency.

And further:

We have but to talk with hundreds of small bankers throughout the United States to realize that, irrespective of local conditions, they are compelled in practice to accept the policies laid down by a small number of the large banks of the Nation. The work undertaken by Andrew Jackson and Woodrow Wilson is not finished yet.

#### PRIVATE PROFIT SYSTEM

Mr. Speaker, I agree with what the President said in another part of his speech—that we should have the private profit system in this country. If we abolish private profit, we abolish what has built this country in time of peace and has assisted in saving it in time of war. We must have private profit. The American people owe about thirty-six and one-half billion dollars national debt. That debt is going to be paid, regardless of private profit; that is, liquidated and disposed of. The social-security fund, the railroad retirement fund, and many other different funds built up by the Government will gradually and eventually acquire all the outstanding Government obligations. Then the American people will pay interest on those obligations as now, but that interest will go to poor and unfortunate people, the aged, and those in distress instead of to a few banks and to the Government bondholders of the Nation.

#### PEOPLE OWE TWO HUNDRED BILLION IN DEBTS

So the Federal debt is going to be disposed of in a way that will be satisfactory to all American people, but all the American people owe \$170,000,000,000 in addition to the national debt. That is represented by debts owed by States, counties, cities, political subdivisions, school districts, road districts, and others; also installment purchases, the corporate debt, and all other notes and accounts owed by the

American people, aggregating about \$170,000,000,000. There is only one way that this enormous debt and tax burden can be liquidated, and that is through the private-profits system, and whenever anyone advocates abolishing private profit he might just as well advocate destroying our Government, because the debts cannot be paid or liquidated without the private-profits system. To advocate abolishing private profit is to advocate repudiation of all debts—National, State, local, corporate, individual, and all other debts.

#### CONCENTRATION OF WEALTH AND POWER IN BANKS

I have had occasion to study the concentration of wealth in banks, something that the President mentioned yesterday.

I have before me a chart. It is my contention, and reliable publications bear me out in this, that 30.88 percent of the banking resources of this Nation—almost one-third—are owned by 24 leading banks in this country. Thirteen of these banks are in New York City. The others are located in some of the larger cities of the country. These 24 leading banks, out of 16,000 banks, own approximately one-third of the banking resources of this Nation.

#### CONCENTRATION OF BANKING RESOURCES IN LEADING COMMERCIAL BANKS

As of June 30, 1936, there were 15,988 State and National banks with total resources in the amount of \$67,525,335,000. Through the control exercised by these banks over the credit facilities of the country, their importance in our economic life cannot be overemphasized.

Moody's Manual for Banks for 1937 reports the resources of each of the larger banks. From a review of this tabulation it is apparent that there is a decided concentration of banking resources in the larger commercial banks. From this list the 24 largest banks were selected, each reporting resources in excess of \$350,000,000. In the study of corporations the tabulation was prepared showing assets as of January 1, 1930, and December 31, 1936. A similar tabulation was prepared for the banks, as shown on the following page, showing the resources of each bank and totals as of December 31, 1929, and December 31, 1936, and the number of officers and directors as at December 31, 1936.

*List of banks in the United States with resources in excess of \$350,000,000 in the order of their size at Dec. 31, 1936*

	Officers	Directors	Resources Dec. 31, 1929 (millions)	Resources Dec. 31, 1936 (millions)
1. Chase National Bank (New York)	63	25	\$1,714,829	\$2,562,182
2. Guaranty Trust Co. (New York)	42	23	2,017,119	2,086,979
3. National City Bank (New York)	36	19	2,206,241	1,904,800
4. Bank of America National Trust & Savings Association	20	25	1,055,113	1,430,337
5. Continental Illinois National Bank & Trust Co.	29	21	1,176,603	1,232,513
6. Bankers Trust Co. (New York)	34	20	817,977	1,079,173
7. First National Bank of Chicago	45	25	365,559	991,280
8. Central Hanover Bank & Trust Co. (New York)	34	23	769,259	979,309
9. First National Bank of Boston	28	25	703,347	756,202
10. Manufacturers Trust Co. (New York)	29	25	508,226	748,564
11. Irving Trust Co. (New York)	27	23	865,980	728,677
12. Chemical Bank & Trust Co. (New York)	32	20	423,172	686,676
13. Security First National Bank (Los Angeles)	54	25	610,683	649,173
14. First National Bank of the City of New York	9	10	568,425	648,019
15. Bank of the Manhattan Co.	30	14	506,939	570,538
16. J. P. Morgan & Co., Drexel & Co.	19	19	( <sup>1</sup> )	550,338
17. Philadelphia National Bank	13	24	358,423	497,392
18. New York Trust Co.	15	19	401,665	444,566
19. National Bank of Detroit	15	14	( <sup>2</sup> )	442,803
20. Union Trust Co. of Pittsburgh	10	14	217,786	386,913
21. Mellon National Bank (Pittsburgh)	7	23	192,501	380,895
22. Cleveland Trust Co.	38	25	316,508	380,070
23. Corn Exchange Bank Trust Co. (New York)	16	15	298,483	360,262
24. Northern Trust Co. (Chicago)	33	8	69,395	355,701
Total	678	484	16,164,233	26,853,352
Comparable figures, 21 banks			16,094,838	19,504,510
Total resources, all banks			72,038,566	67,525,335
Percent of total resources in 21 large banks			22.34	28.88

<sup>1</sup> Partners.

<sup>2</sup> No report made public.

<sup>3</sup> Organized Mar. 24, 1933.

<sup>4</sup> Eliminating J. P. Morgan & Co., National Bank of Detroit, and Northern Trust Co., Chicago.

It will be noticed that the resources of the 24 banks increased more than four and one-half billion dollars during the depression. These 24 largest banks are located—13 in New York City, 2 in California, 3 in Illinois, 1 in Massachusetts, 3 in Pennsylvania, 1 in Michigan, and 1 in Ohio.

The relationship of these banks to all banks and banking resources as of June 30, 1936, is shown as follows:

#### Relation of 24 largest commercial banks to all commercial banks

Class of banks	Number of banks	Total resources	Percent of total
1. Resources exceeding \$350,000,000	24	\$20,853,352,000	30.88
2. All other banks	15,964	46,671,983,000	69.12
3. Total	15,988	67,525,335,000	100.00

From the above summary it is shown that over 30 percent of all commercial banking resources is in the hands of 24 banks out of a total of 15,988, or less than sixteen-hundredths of 1 percent of all banks. Reference to the previous tabulation indicates there was a trend toward increased concentration of banking resources for the period 1930-36.

As in the case of corporations the banking control exercised by these banks extends beyond the resources in their own hands since many of the smaller banks have banking relationships with the larger banks and are subject to their control in many ways.

These 24 banks are controlled by 484 directors, but from a practical standpoint, as in the case with boards of directors of other corporations, many directors are not generally active in the affairs of the banks.

The above number is also reduced by duplications resulting from interlocking directorates. Therefore, it may be assumed that the actual control of these banking resources is concentrated in the hands of a relatively few men.

The relationships among the 24 leading banks were studied, and it was found that further concentration exists in this group, as evidenced by interlocking directorates.

In order to show the trend of banks and banking resources from 1919 through 1936, a statistical table was prepared. This table shows that from the peak year of 1921 the number of banks decreased one-half, while banking resources increased from \$49,721,000 to \$67,525,000, and that the resources of the average bank increased from \$1,612,000 to \$4,223,000.

#### TWENTY-FOUR BANKS HAVE ENORMOUS POWER

From the preceding data it is apparent that (1) there is a concentration of banking resources in the 24 leading commercial banks, (2) that there is a further community of interest as indicated by the interlocking directorates in the leading banks, (3) that there is a well-established trend toward fewer and larger banks, and (4) that the trend is more rapid and consistent with banks than with non-financial corporations.

We have further concentration of banking control as shown by interlocking directorates. If you study the directorates of these 24 leading banks you will see that the directorates of 1 interlock with those of the other 23; you will find an interlocking relationship between these 24 leading banks that own and control approximately one-third of the entire banking resources of the 16,000 banks. These 24 banks have \$20,000,000,000 in assets, or 30.88 percent. The other 15,964 banks in the Nation own 69.12 percent; and, as I told you before, those 24 banks are in very few cities, 13 of them being in one city.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a short question?

Mr. PATMAN. I shall gladly yield to the gentleman from New York.

Mr. SNELL. Could the gentleman tell us how many stockholders there are in these 24 banks throughout the United States?

Mr. PATMAN. It is really not relevant, in view of the fact that very few of the stockholders have power and influence over the control of the banks. I think it is more material to know who controls these banks rather than who owns



them. That has been one of the troubles—a large number of people owning them, but a few controlling. The question I am talking about is control and not necessarily ownership.

Mr. SNELL. Would not the gentleman favor the House by putting in the RECORD in connection with his speech the number of stockholders there are in these banks?

Mr. PATMAN. I shall not object to the gentleman's doing it. If he wants, he may insert it right in connection with my remarks.

Mr. SNELL. The gentleman having studied this question, I suppose has this information, and I think he should tell the people of the country what a wide distribution of stockholders there is in these banks.

Mr. PATMAN. I was not studying the wide distribution of ownership. What I was interested in principally was the matter of control. If 99 percent of the people own the banks and 1 percent control them, the country is just about as bad off as if the 1 percent both owned and controlled.

Mr. SNELL. I think the people are entitled to the full picture.

ONE HUNDRED AND SEVENTY-FIVE CORPORATIONS OWN 58.8 PERCENT OF ALL CORPORATE WEALTH

Mr. PATMAN. If the gentleman will wait until I get through I think he will be convinced.

As shown by this other chart, 175 nonbanking corporations own 22.1 percent of the entire wealth of the Nation. That is not corporate wealth; that means the entire wealth of the Nation; they own 58.8 percent of the corporate wealth. One hundred and seventy-five corporations own approximately 25 percent of all the wealth in America.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a further question at this point?

Mr. PATMAN. Yes; I yield for a question.

Mr. SNELL. How many stockholders are there in these 175 corporations, and how widely distributed are the stockholders throughout the United States?

Mr. PATMAN. The gentleman knows as well as I that the stockholders have very little control over the corporations.

Mr. SNELL. I do not know that.

Mr. PATMAN. The evil about which I am talking is the evil of control in the hands of a few. I do not blame the gentleman for defending corporate wealth like this.

Mr. SNELL. I am not interested in any of them; I want only to get information.

Mr. PATMAN. It is a good argument for the gentleman to make, but it is not important in connection with my discussion; so I will not yield further unless the gentleman wants to ask a question directly in line with my speech.

Mr. SNELL. I think it is very important in connection with the gentleman's speech. If he wants to furnish us with a complete picture of the situation he should give the number of stockholders in these corporations.

Mr. PATMAN. If the gentleman desires to insert that in the RECORD it will be perfectly all right with me.

Mr. SNELL. I have not made the study the gentleman claims he has made. If he wants to, he can give the entire picture to the people.

Mr. PATMAN. That is an excuse and not a reason.

Mr. SNELL. No; it is no excuse at all.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. COCHRAN. Will the gentleman advise the House what he means when he speaks of the wealth of the Nation?

Mr. PATMAN. The entire wealth of the Nation, \$300,000,000,000 and more. Of this amount these 175 corporations own and control approximately one-quarter, one-quarter of the entire wealth of the entire Nation, of all the people.

Mr. COCHRAN. Everything?

Mr. PATMAN. Everything, which is over \$300,000,000,000.

Mr. COCHRAN. Where does the gentleman get his figures?

Mr. PATMAN. I obtained these figures from reliable sources, I assure the gentleman. Moody's Manual and many others were consulted.

Mr. COCHRAN. Will the gentleman state what these reliable sources are?

#### REFERENCE MATERIAL

Mr. PATMAN. In connection with the study, the following material has been reviewed:

- (1) The Modern Corporation and Private Property. Berle and Means.
- (2) The Internal Debt of the United States. Evans Clark.
- (3) Concentration in American Industry. Harry W. Laidler.
- (4) Statistical Abstract of the United States, 1935.
- (5) Lords of Creation. Frederick Lewis Allen.
- (6) Moody's Manual of Banks—Insurance—Real Estate—Investment Trusts, 1930, 1936.
- (7) Moody's Manual of Steam Railroads, 1930, 1936.
- (8) Moody's Manual of Public Utilities, 1930, 1936.
- (9) Poor's Industrial Manual, 1930, 1936.
- (10) Poor's Register of Directors, 1937.
- (11) National Income of the United States, 1929, 1935.
- (12) National Wealth and Income, Federal Trade Commission, 1926.
- (13) The New Freedom. Woodrow Wilson.
- (14) Weeds of Wall Street. Wickwire.
- (15) Other People's Money. Brandeis.

Several of the above books have bibliographies listing additional reference material on this subject.

The gentleman from New York will see this speech in the RECORD tomorrow morning, and if he sees a misstatement in it I hope he will correct it, but he will not find one single misstatement.

Mr. SNELL. Will the gentleman give the country the whole picture and not part of it?

Mr. PATMAN. I will permit the gentleman to bring up the excuses. I am giving the reasons.

Mr. MOTT. Will the gentleman give the names of those corporations also?

Mr. PATMAN. The 175 corporations that own approximately one-fourth of the entire wealth of the Nation are interlocked. They are nonfinancial or not banking corporations. But they are interlocked with the 24 leading banks that own approximately one-third of all the banking resources of this Nation. Therefore, when you put the two together you can see there is considerable power and influence placed in the hands of a few people who control a few banks and a few large corporations.

Mr. MOTT. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Oregon.

Mr. MOTT. I intend to read the gentleman's speech together with his extensions, but will the gentleman put into the RECORD the names of the 175 corporations?

Mr. PATMAN. Yes. The names of 175 corporations in the United States, and the amount of their assets as of December 31, 1929, and as of December 31, 1935, are inserted in the CONGRESSIONAL RECORD in a speech that I made on the floor of the House, June 15, 1937, and may be found in the CONGRESSIONAL RECORD of that date.

*Relationship of assets of 175 major nonbanking corporations to corporate and national wealth*

	Jan. 1, 1930	Dec. 31, 1935
Assets of 175 major nonfinancial corporations...	\$72,620,800,000	\$70,822,500,000
Wealth of nonfinancial corporations.....	\$135,000,000,000	\$120,000,000,000
Percent 175 corporations.....	53.8	58.7
National wealth.....	\$385,000,000,000	\$320,000,000,000
Percent 175 corporations.....	18.9	22.1

From the above it is apparent that there is a decided concentration of assets in the hands of 175 major nonfinancial corporations, and there is no indication that the trend toward further concentration will not continue.

The relationship of the companies listed to our everyday living is sometimes difficult to comprehend. Figures alone do not tell the complete story.

#### PEOPLE COMPELLED TO PATRONIZE LARGE CONCERNS

These great companies represented in the previous list form the very framework of American industry. The individual must come in contact with them constantly. He may own an interest in one or more of them. He may be employed by one of them. At least he is continually accepting their services.

If he travels any distance, he is almost certain to ride on one of the great railroad systems whose engines have been constructed by the American Locomotive Co. or the Baldwin Locomotive Works. The car in which he rides was probably made by the American Car & Foundry Co. or one of its subsidiaries, unless he is enjoying the services of the Pullman Co. The rails were supplied by one of the major steel companies. If he travels by automobile, probably the car was manufactured by General Motors, Chrysler, or Ford, and his tires supplied by Firestone, Goodrich, Goodyear, or United States Rubber Co. Even if the individual stays in his own home in comparative isolation and privacy, his electricity and gas are probably furnished by one of the major public-utility systems, the aluminum in his kitchen utensils by the Aluminum Co. of America, his electric refrigerator by General Motors, General Electric, or Westinghouse, and the chances are the Crane Co. has supplied his plumbing fixtures and the American Radiator & Standard Sanitary Corporation his heating equipment. He usually buys some of his groceries from the Great Atlantic & Pacific Tea Co., a company that in 1930 expected to sell one-eighth of all the groceries in this country. The cans which contain his food may have been made by the American Can Co. or Continental Can Co. His sugar was refined by one of the major companies, such as American Sugar Refining Co.; his meat was probably prepared by Swift, Armour, or Wilson; and his crackers put up by the National Biscuit Co. The newspaper he reads may be printed on International Paper Co. paper, and the radio he uses will almost of necessity be made under the license of the Radio Corporation of America. If he goes to a movie, he probably will see a Paramount, Fox, or Warner Bros. picture taken on Eastman Kodak film in a theater controlled by one of these producing groups. If he smokes cigarettes, he will usually find himself smoking one of the many brands put out by one of the Big Four tobacco companies.

In studying the growth of the corporate system and the concentration of wealth in corporations there are other phases that may be considered.

#### CONCENTRATION OF WEALTH SILENT PROCESS

The concentration of wealth in a few corporations is a silent process. Generally little public attention is focused in the gradual acquisition of one corporation by another, and the objectives that individuals may have in building and expanding these major corporations are not realized until the results have been accomplished. It is the essence of evolutions of the more silent sort that they are not recognized until they are far advanced. This was the case with the so-called industrial revolution, and is the case with the corporate revolution through which we are at present passing.

#### CONTROL BY MINORITY OF INTEREST

Frequently in these major corporations ownership is so widely scattered that working control can be maintained with but a minority interest. Separation of ownership and control becomes almost complete, and not even a substantial minority interest exists, as in the American Telephone & Telegraph Co. In the case of both minority control and management control the separation of ownership from control has taken place, and a large body of security holders has been created who exercise virtually no control over the wealth which they or their predecessors in interest have contributed to the enterprise.

The corporate system further commands attention because its development is progressive as its features become more marked and as new areas come, one by one, under its sway. Economic power in terms of control over physical assets is apparently responding to a centripetal force tending more and more to concentrate in the hands of a few corporate managements. At the same time beneficial ownership is centrifugal, tending to divide and subdivide, to separate into smaller units. In other words, ownership continually becomes more dispersed—the control and power formerly joined to it, increasingly concentrated.

#### SUMMARY

Summarizing this section dealing with concentration of assets in nonbanking corporations, the following conclusions may be drawn:

First. There exists a decided concentration of nonfinancial corporate wealth in the major corporations.

Second. The assets of the 175 companies out of a total of 300,000 represent approximately one-fifth of the national wealth and one-half of nonfinancial corporate wealth.

Third. The control exercised by the 175 corporations extends beyond the assets owned due to the number of smaller corporations and others who buy from and sell to them.

Fourth. The trend continues toward further concentration in this field.

Fifth. The control of this wealth is in the hands of less than 2,000 active directors and officers.

Sixth. The assets of the 175 major corporations extend into every State in the Union and directly affect the economic welfare of every section of this country.

INTERLOCKING RELATIONSHIP BETWEEN THE 24 BANKS THAT OWN ABOUT ONE-THIRD OF BANKING RESOURCES AND THE 175 CORPORATIONS THAT OWN 58.8 PERCENT OF THE CORPORATE WEALTH OF THE NATION

Here is a chart known as the wheel of wealth which shows the 484 directors in the 24 leading banks, these 24 leading banks owning approximately one-third of the banking resources of the Nation. There are 16,000 banks in all. There are 484 directors in the 24 banks, and this wheel shows how those directors interlock with the directors of the 175 corporations that own approximately 25 percent of all the wealth of the Nation and 58.8 percent of the entire corporate wealth of the Nation.

Mr. O'CONNOR of Montana. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Montana.

Mr. O'CONNOR of Montana. Will the gentleman inform us whether the 24 leading banks include the 12 Federal Reserve banks?

Mr. PATMAN. They do not, because the 12 Federal Reserve banks are not necessarily in the picture so far as the question I am now discussing is concerned.

I have here the total number of banks from the year 1919. This chart shows how the number has gone down. I have here also a statement showing the resources of the banks, which is very convincing that the banks are becoming fewer in number while the resources of the few are becoming greater. In other words, the trend has been in the direction of fewer and larger banks with greater power and control in the hands of these 484 directors who have charge of 24 banks which own and control one-third of the banking resources of the Nation.

Mr. GIFFORD. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. May I ask the gentleman if he will not correct his statement and say that the resources of the banks have greatly decreased in the last few years?

Mr. PATMAN. I am not yielding for a speech, and I hope the gentleman will not take my time.

Mr. GIFFORD. Does the gentleman challenge my suggestion?

Mr. PATMAN. I am yielding for a question. If the gentleman desires to ask me a question, make it brief and I shall be glad to answer.

Mr. GIFFORD. I will be glad to get the gentleman's views on the question whether the resources of those banks have increased. I claim they have decreased.

Mr. PATMAN. Some have decreased and some have increased. During the depression the resources of these 24 banks have increased from \$16,000,000,000, at the time the depression started, to more than \$20,000,000,000 in 1936. In other words, their resources have increased during the depression almost 25 percent. The big banks have become greater and more powerful. They have more resources and more influence. The smaller banks, many of them, have been crushed to the wall.

During the 12 years of Mr. Mellon's reign in this country we lost almost one-half of our banks. There were 30,000 when he started and there were approximately 15,000 left when he and his policies went out. In other words, there were remaining one-half and we lost the rest during a period of little more than 12 years. We want to change that trend.



We want to give the smaller banks an opportunity instead of giving all the power to a few of the larger and more powerful banks.

*Number of banks and total resources, by years, from 1919 to 1936*

Year	Total number of banks			Total banking resources (millions)			Average resources per bank (thousands)
	State	National	Total	State	National	Total	
1919.....	21,028	7,785	28,813	\$25,966	\$20,800	\$46,766	\$1,623
1920.....	21,923	8,030	29,953	29,191	22,197	51,388	1,716
1921.....	22,705	8,143	30,848	29,413	20,308	49,721	1,612
1922.....	22,302	8,197	30,499	28,809	19,815	48,624	1,594
1923.....	22,084	8,229	30,313	32,081	21,613	53,694	1,771
1924.....	21,350	8,115	29,465	33,641	22,063	55,704	1,891
1925.....	21,122	8,016	29,138	36,679	23,832	60,511	2,077
1926.....	20,289	8,000	28,289	39,106	24,894	64,000	2,262
1927.....	19,597	7,828	27,425	40,047	25,699	65,746	2,397
1928.....	18,965	7,734	26,699	41,806	27,574	69,440	2,601
1929.....	18,357	7,575	25,932	43,645	29,022	72,667	2,802
1930.....	17,298	7,316	24,614	44,690	27,348	72,038	2,927
1931.....	15,865	6,935	22,800	42,686	25,126	70,812	3,106
1932.....	13,882	6,373	20,255	38,468	24,662	63,130	3,117
1933.....	11,513	5,887	17,400	31,727	22,302	54,029	3,105
1934.....	10,903	5,422	16,325	32,621	23,902	56,523	3,462
1935.....	10,742	5,451	16,193	34,872	25,051	60,433	3,737
1936.....	10,614	5,374	15,988	37,822	29,703	67,525	4,223

The possible effect on our economic system of this concentration of the control of credit has from time to time engaged the study of many men prominent in the affairs of our Nation, and the following excerpts are taken from various writings and reports:

In 1909, Woodrow Wilson, in his *New Freedom*, maintained that as a result of the concentration of the credit system in the hands of the few we had become "the most highly controlled and dominated government in the civilized world." This subject was commented on from time to time by men prominent in public affairs; and as a result of these comments, and the general situation existing, Congress appointed the Pujo investigating committee in 1912, with Samuel Untermyer as counsel. After extended investigation, this committee issued its report analyzing the financial control of the Nation as the committee then saw it. It directed attention to the First National Bank of New York; National City Bank of New York; Lee Higginson & Co., of Boston; Kidder-Peabody & Co.; and Kuhn, Loeb & Co. as the most active agents in bringing about concentration of credit control.

According to this committee, the internationally known banking firm of J. P. Morgan & Co. was head and shoulders above the other giants of finance. Following the investigation the committee issued charts showing that the firm members of Morgan & Co. and its allied banks held at the time of the hearings—

(1) One hundred and eighteen directorships in 34 banks and trust companies, having total resources of \$2,679,999,000 and total deposits of \$1,983,000,000.

(2) Thirty directorships in 10 insurance companies, having total assets of \$2,293,000,000.

(3) One hundred and five directorships in 32 transportation systems, having a capitalization of \$11,784,000,000; total mileage of 150,200.

(4) Sixty-three directorships in 23 producing and trading corporations, having a total capitalization of \$3,339,000,000.

(5) Twenty-five directorships in 12 public-utility corporations having a total capitalization of \$2,150,000,000.

The committee's report and recommendations created a stir, but of the specific recommendations enacted the restraint of interlocking directorates was the most important. As a result, on January 1, 1914, Morgan & Co. announced their retirement from a number of directorates. As a result of this investigation, the previous work of the National Monetary Commission formed a basis for the Federal Reserve Act, passed in 1914. Some of the proponents of the Federal Reserve System at that time wanted one central bank. Because, however, of the fear of centralization, 12 Federal Reserve banks were thought to be best, and these were created. Each of these banks has most of the attributes of a central bank. Such a decentralized system, it was thought, would tend to divest the Money Trust in Wall Street of much

of its power. Experience has shown, however, that the Federal Reserve System has not arrested the movement toward concentration of credit control.

This view was also expressed in 1930 by Congressman McFadden, chairman of the Committee on Banking and Currency, who said:

We find that the concentration of Nation-wide banking assets under the control of these big banks (possibly in New York and Chicago) or their affiliates has become so important as to overshadow the entire Federal Reserve System of operations. One naturally begins to wonder whether or not some of these larger banks or groups may not entirely dominate the election of officers and directors of many of the Federal Reserve banks and so be a factor in the determination of changes in the Federal Reserve policies which are made from time to time by the Federal Reserve Board.

From the date of the Pujo investigation until 1930 concentration continued. So at the beginning of 1930, 250 banks held resources of \$33,400,000,000 out of total bank resources in this Nation of \$72,000,000,000. Thus, 1 percent of the banks of the country directly controlled more than 46 percent of the total national resources. (Testimony of John W. Pole, Comptroller of the Currency.)

At the beginning of 1930, 24 New York banks, or less than one-tenth of 1 percent of the total, had combined resources of about \$10,800,000,000, or 15 percent of the total resources of the banks of the Nation, while their capitalization of nearly \$700,000,000 is almost comparable in total to that of 20,000 country banks situated in towns of 10,000 population or less. (Grief B. Hazlewood, president, American Banking Association.)

Concentration recently had been greatly advanced through the rapid consolidation of the key banks in the country, through the development of chain and branch banking, investment trusts, industrial activities of private banks, and other means. The unit bank is fast fading from the scene, and America bids fair sooner or later to follow the example of Canada, England, and other countries in the concentration of all banking power in the comparatively few gigantic central banking institutions. (Joseph Lawrence, *Banking Concentration in the United States, 1931*.)

#### SUMMARY

(1) Twenty-four leading banks control approximately one-third of all banking resources.

(2) The control of the 24 banks is in the hands of 484 directors, many of whom are not normally active in the affairs of the banks.

(3) There is a community of interest between certain groups of the leading banks, as evidenced by interlocking directorates.

(4) In the period from 1930 to 1936 there was an increased concentration of banking resources in the major banks.

(5) During the period from 1921 to 1936 the total number of commercial banks decreased from 30,848 to 15,988, while resources increased from \$49,721,000 to \$67,525,000. The resources of the average bank increased from \$1,612,000 to \$4,223,000 during this period.

Mr. GIFFORD. May I ask the gentleman why he said that the Federal Reserve banks were omitted? Does he not know that the 12 Federal Reserve banks fully control those which he mentioned?

Mr. PATMAN. They certainly do not control them. They come nearer controlling the principal activities of the Federal Reserve System. Furthermore, I was interested in what the President said about Woodrow Wilson yesterday. Had it been left to Woodrow Wilson two things would not have been inserted in the Federal Reserve Act.

One, the open-market committee would not be composed of a large number of the biggest bankers in this country, who have the power to work in their own selfish and greedy interests to the detriment of the interests of the people at large and to the detriment of the smaller banks.

Two, the private bankers would not be put upon the board of any Federal Reserve bank. That is inconsistent. You might just as well have the railroad owners control freight rates through the Interstate Commerce Commission, or the

biggest businessmen in the country as members of the Federal Trade Commission to regulate business, or the owners of the radio put on the Federal Communications Commission, as to have the bankers, who are privately and selfishly interested in their own welfare and their institutions' welfare, control the Federal Reserve banks.

Mr. DIRKSEN. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Illinois.

Mr. DIRKSEN. Is it not true that so far as the number of banks is concerned today it is the policy, directly or indirectly, of the Treasury and the F. D. I. C. to discourage an increase in the number of banks in the country?

Mr. PATMAN. Not of good, sound banks; no.

Mr. DIRKSEN. It is not a question of good, sound banks.

Mr. PATMAN. Yes; it is.

Mr. DIRKSEN. It is not. It is a question of whether they want two banks in a town or only one.

Mr. PATMAN. The gentleman has asked a question and I have answered it.

Mr. DIRKSEN. We do not want generalities. We want a specific answer to the question.

Mr. PATMAN. And I say no; they are not discouraging sound banks.

Mr. DIRKSEN. That is at variance with the exact truth, because I have had instances in the Central West where they have discouraged the setting up of another bank in a town that was already supplied with a bank.

Mr. PATMAN. I presume another bank was not needed and therefore if another was put in, both of them would become unsound.

Mr. O'CONNOR of New York. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from New York.

Mr. O'CONNOR of New York. The gentleman refers to the resources of banks, especially the resources of the so-called large banks. Does a bank itself have any resources except the deposits of millions of depositors?

Mr. PATMAN. Is the gentleman referring to deposits as something actually material, actually tangible, or just fictitious pieces of paper?

Mr. O'CONNOR of New York. I am referring to credits.

Mr. PATMAN. Then the gentleman is referring to something fictitious.

Mr. O'CONNOR of New York. Well, all right.

Mr. PATMAN. All right; go ahead.

Mr. O'CONNOR of New York. When the gentleman speaks about the resources of banks being used, he is referring to the depositors' money?

Mr. PATMAN. Part of it. Part of it is the depositors' money. Most of it is.

Mr. O'CONNOR of New York. Take any one of those banks and tell us what resources the bank itself has, as distinguished from the deposits of its millions of depositors.

Mr. PATMAN. Let me take up one other point. I should like to yield to all of you, but I just cannot do it and make this speech in 30 minutes.

Take, for instance, the matter of the deposits, which was brought up just now. I have here a chart, which required months of time to prepare, and I hope to insert it in the CONGRESSIONAL RECORD at some time. Three years were picked out—one year a good year, 1929, another a poor year, 1933, and another a better year, 1935.

I am talking now from the standpoint of demand deposits. I want to show you the business of this country is determined largely by the demand deposits in banks, which represent the business of the country.

In New York, where the deposits are large, the per capita retail distribution runs up to \$400 in good times and down to \$250 in bad times. In Mississippi, South Carolina, and other States, in the best of times the per capita distribution will run up to \$150 and in bad times down to \$75.

This chart shows in good years how much is purchased per capita from food stores, general merchandise, apparel stores, the automotive group, furniture and household, lumber, building, drug stores, cigars, fuel, and jewelry by the people in each State. It shows how much is purchased in the

good year and how much in the poor year and how much in the good year again.

If you study this chart you will find the amount of business done in each group and by each branch of industry is determined by the amount of demand deposits in that particular State. Therefore, demand deposits have something to do with business in this country, and you cannot have concentration of wealth and continue to have good business in the 48 States. You cannot do it.

Mr. FISH. Mr. Speaker, I ask unanimous consent that the gentleman from Texas may be permitted, at the conclusion of his time, to proceed for 10 additional minutes.

The SPEAKER pro tempore (Mr. McLAUGHLIN). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Kentucky.

Mr. MAY. I have not had the pleasure of hearing all the remarks of the gentleman, but I understood the gentleman to make the statement that no private banker could be a member of any of the committees of the Federal Reserve System. The gentleman understands, does he not, that the private banks of the country own all the stock in the Federal Reserve System and are the people who make up the Federal Reserve System? In view of this, does the gentleman believe they ought not to have some representation in the System?

Mr. PATMAN. The gentleman has asked me if they should not have some representation because they own part of the stock.

Mr. MAY. They own all of it.

Mr. PATMAN. They own \$132,000,000 in stock. In fact, compared to the amount of business done by these banks, I look upon that as a mere subterfuge, as just an excuse, hardly any capital at all compared to the billions of dollars of business done each year by the 12 Federal Reserve banks. They are not operating on the \$132,000,000, I may say to the gentleman from Kentucky; they are operating on the credit of this Nation. They are operating because they are able to give a mortgage on your property, a lien upon your income, and a mortgage upon all the property of all the people in this Nation. This is why they are operating, and the 24 leading banks owning almost one-third of all the banking resources of the Nation get the benefit of this credit through the Federal Reserve System.

Mr. MAY. Will the gentleman yield further?

Mr. PATMAN. For just a question. I have only a little time.

Mr. MAY. As a matter of fact, the Federal Reserve Act requires them to operate on that particular capital. That is all the capital they have.

Mr. PATMAN. That is very true; it is all the capital required. They do not need any capital since they have the Government's credit behind them.

Mr. VOORHIS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. For a question; yes.

Mr. VOORHIS. The point has been brought out here that a great many of the assets of the banks consist of deposits. If this be true, then does not the gentleman agree the power of these 24 banks, based upon their control over both money and credit belonging especially to other people, is even more dangerous than it would be if they actually did control that amount of assets of their own?

Mr. PATMAN. I thank the gentleman for his contribution to my speech and I agree with him.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield for one question?

Mr. PATMAN. I cannot yield now, gentlemen.

Mr. ROBSION of Kentucky. Will the gentleman yield for a correction of one matter here?

Mr. PATMAN. If I have made a misstatement, I will let the gentleman correct me, but I do not yield to correct any mistake of anybody else in my own time.

Mr. ROBSION of Kentucky. The gentleman spoke about deposits as assets; those are liabilities of a bank and not assets.

Mr. PATMAN. Well, they are on both sides of the ledger.



## FINE WORK OF DEPARTMENT OF JUSTICE

I have before me here a speech made by the Honorable Homer Cummings, the Attorney General of the United States, on the question of the unsolved problem of monopoly before a meeting of the Associated Grocery Manufacturers of America on November 29, 1937, and I invite your attention to a few significant statements he makes. In talking about the enforcement of the antitrust laws he says:

In fact, this administration during the 4½ years of its existence has instituted more antitrust suits than were commenced in any comparable period theretofore.

Mr. Cummings said further:

The trend toward an undue concentration of wealth and economic control is unmistakable. It is estimated that in 1929 200 nonfinancial corporations controlled 49.2 percent of the assets of all such corporations. In 1933 the percentage had increased to 56. Reports from the Bureau of Internal Revenue for 1933 indicate that nearly one-third of all the property passing by death was found in less than 4 percent of the estates. The studies made by the Brookings Institution in its 1929 report indicate that 6,000,000 families had incomes of less than \$1,000 annually, and that 36,000 families in the high-income brackets received as much of our national income as 11,000,000 families with the lowest incomes. Reliable statistical information discloses that large numbers of industrial units have totally disappeared and that there has been a progressive elimination of the small-business man as a factor in American life.

If this is what democracy comes to, then we must amend our ways or confess judgment in the face of the world.

Mr. Cummings, in his speech, said further:

## ENFORCEMENT

Despite the difficulties and uncertainties to which I have alluded, there still remains an extensive area within which antitrust proceedings, even under existing laws and procedure, may be highly fruitful. This we have demonstrated by many successful actions dealing with such matters as unfair methods of competition, harmful restraints of trade, and ruthless suppression of small business by unethical methods. In fact, this administration, during the 4½ years of its existence, has instituted more antitrust suits than were commenced in any comparable period theretofore. Necessarily, we in the Department of Justice take the law as we find it and enforce it to the utmost of our ability and resources. This is our plain and inescapable duty. This we have done, and this we will continue to do.

Nevertheless, it is literally impossible, with the limited personnel of the Antitrust Division, to give attention to every complaint or to prosecute all the cases that ought to be brought to the attention of the courts.

Roughly speaking, it costs the Government not less than \$100,000 per year to prosecute one sharply contested antitrust suit. Under the conditions that now prevail, it is only by working under extreme pressure that we are able to investigate the most urgent of current complaints and keep three or four large cases moving simultaneously. Moreover, the Department of Justice should be supplied with a staff especially qualified for economic analysis. Practically all of the difficult antitrust cases involve intricate economic and business problems. Manifestly, no suit against an American enterprise should be instituted without the most careful preliminary investigation. No responsible person would desire the Department to file suits on popular rumor and suspicion, without adequate check or preparation, and without an eye to ultimate results.

My proposition is that the Antitrust Division of the Department of Justice should be more adequately implemented. Laws do not operate in vacuo. They do not achieve their results automatically. There must be behind them the driving force of the Government.

It is idle to pass new laws or to revise old ones without realizing that their administration is fully as important as their formulation; and that to enact ambitious laws and not to provide the means of their enforcement is to "keep the word of promise to our ear and break it to our hope."

Monopolistic practices could undoubtedly be more clearly defined. This would be helpful in the interest of enforcement, and would be a protection to those who honestly endeavor to comply with the law. Consideration might well be given to an increase in the authority of the Federal Trade Commission as an advisory body.

This is a pretty good record, and the Department has not had much money to enforce the antitrust laws. It requires, roughly speaking, Mr. Cummings states, about \$100,000 a year to prosecute one sharply contested antitrust suit, and let me tell you how they are often hindered in the prosecution of these antitrust suits.

## HOW DEPARTMENT OF JUSTICE WAS HINDERED IN ONE CASE

In 1912 there was a suit brought against the Aluminum Co. of America. For some reason it was brought in a district

court at Pittsburgh, Pa. The suit did not amount to much, it did not involve much, and the corporation came in and agreed to a consent decree. It was entered of record in 1912, a long time ago. No one thought anything about this consent decree. It has been sleeping ever since, it has been dormant, it has been dead; but the Attorney General who is now charged with not enforcing the antitrust laws attempted almost a year ago to bring a suit in the State of New York against a large number of corporations involving the Aluminum Co. of America for violating the antitrust laws of this country, and what happened? This is something heretofore unknown in the history of the courts. A judge at Pittsburgh, without any notice to the Attorney General and without any hearing, entered an order in Pittsburgh restraining the Attorney General of the United States—something never before undertaken—from proceeding further against the Aluminum Co. of America or Mr. A. W. Mellon, although he was not a party to one of the charges, in any other court in America except in his court at Pittsburgh, Pa.

This aroused my curiosity, and I looked into it and I discovered that in 1921 there was a judicial vacancy in this court, which had in 1912 entered the consent decree against the Aluminum Co. of America, and Mr. Andrew W. Mellon, the principal owner of the Aluminum Co. of America, recommended a man for judge to fill the vacancy, and upon his endorsement this man was appointed judge. His name is Judge Gibson. This was back in the days of Harding, when the Ohio gang had much to do with the administration.

So they appointed Mr. Gibson judge, and nothing happened until 1937, 16 years later, in the early part of the year, when the Attorney General's Department attempted to enforce the law against this concern in another city for another violation, involving different individuals and different corporations entirely, and this judge enters an order which says in effect, "You must prosecute this corporation before me in my court, and in no other court of this land."

This has hindered the Antitrust Division, and what was necessary to overcome this? The Department of Justice had to take advantage of what is known as the expediting statute by getting three judges over at Philadelphia before whom to appeal from this decree. They appealed to the expediting court, and if you will read their decision, you will find no complimentary reference in the decision of the expediting court concerning this district judge. They overruled him unanimously and said he was wrong in restraining the Attorney General of the United States, but even then they were not through. They take all the time they can and they hinder the Antitrust Division as much as possible. Then Chief Justice Hughes' son, the chief counsel for the Aluminum Co. of America, brings the case before the United States Supreme Court, and only recently was that Court compelled to uphold unanimously the expediting court in Philadelphia and overrule the judge in Pittsburgh.

So there was almost a year's time during which the Attorney General had been restrained in the prosecution of the laws of our country in a way that this judge had no right on earth to exercise. The Department has been hindered and delayed in many other ways.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from New York.

Mr. FISH. The gentleman has made a study of banks and monopolies. Can the gentleman tell the House why it is that the banks, and particularly the big banks in New York, no longer pay any interest on their deposits?

Mr. PATMAN. I consider that a serious mistake that was made by the Congress, and the gentleman is a member of the Banking and Currency Committee, and knows about it.

Mr. FISH. I would like to have the gentleman state the facts.

Mr. PATMAN. A law was passed which makes it unlawful for banks to pay interest on demand deposits. I do not care how much they want the money, or need it, or what kind of trade can be made with their competing banks, it is unlawful, a violation of the law, for them to pay any interest on demand deposits, and by reason of that law—it was

placed in the bill in conference, and it did not come from this House but came from the other body—they saved themselves a vast sum of money. When our conferees met the Senate conferees they had to agree to that provision, or we could not have insured bank deposits. The plea then was, "Do not kill the bill; if you do you will kill the provisions insuring the deposits in banks," and we had to swallow it, and I presume the gentleman swallowed it also and voted for it.

Mr. FISH. But it came from this administration, did it not?

Mr. PATMAN. I presume the gentleman voted for it.

Mr. FISH. Can we not undo that?

Mr. PATMAN. Yes; we can, and we should, at least to some extent.

Mr. FISH. And while the gentleman is studying this question of monopoly, will he also look into the question of life-insurance companies loaning money and asking 6-percent interest rate on those loans?

Mr. PATMAN. There is where the banks have been ungrateful. I am very glad that the gentleman brought that out. This administration not only bailed out the banks, many of them, through the R. F. C. by furnishing money, digging into the people's money for them, but it furnished \$300,000,000 out of the \$339,000,000 necessary to insure the deposits in all the banks of this country, furnished practically all of it. The banks should be grateful for that, but many of them are not. The Democrats had to vote for this law to which the gentleman has referred, or they would have had to vote against the insuring of bank deposits, but in that law were these two significant provisions. One was that hereafter it shall be unlawful to pay interest on demand deposits. That saved the banks of this Nation a quarter of a billion dollars—billion dollars, not million dollars—a year. Another provision, that the interest rates on time deposits would be fixed, and they have been fixed in a way that the banks of this country were saved a quarter of a billion dollars—not million—a year, and through those two provisions they were saved \$500,000,000 a year on those two items, enough to pay annually all of their employees and the officials in all of the banks in this country, 16,000 of them. One would think that there would be a little gratitude in the hearts of the people who have been dealt with so generously as that, and many of them are grateful, but some of them are not.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. For a question.

Mr. MAY. By what authority do banks charge these extra charges such as a service charge and a lot of other charges that require a man to pay about 14-percent interest?

Mr. PATMAN. I wish I had time to go into that, but I have not.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. For a question.

Mr. GIFFORD. The gentleman talks about this control. Will he not tell us just where he would put it?

Mr. PATMAN. The control of money and credit?

Mr. GIFFORD. Yes.

Mr. PATMAN. Yes; I will do that. Let the gentleman read H. R. 7230, a bill sponsored by 160 Democratic Members of this House and favored by all the Progressives and a number of the Republicans. We would have the Government own the 12 Federal Reserve banks, as proposed in this bill, and would take these bankers off the open-market committee, just like I would take railroad owners off the Interstate Commerce Commission if they were on it and it were within my power.

Mr. GIFFORD. But that means that the President would appoint these men who would run this business, and who know so much less than the 24 who know so much about it.

Mr. PATMAN. But they would be appointed subject to confirmation by the Senate. I know there are two schools of thought. One school of thought—and I presume the gentleman belongs to that school—is that the people who run the banks should control the money system of the Nation.

I am not in accord with that view, because they are promoting their own selfish interest, and people who are promoting their own interests will become selfish, and they soon become greedy and soon become racketeers, and sometimes even highjackers, and we want to save them from themselves and from the other people.

Mr. GIFFORD. Is it not better to have these men who know about things than to put it in the hands of what you might call fanatics?

Mr. PATMAN. Some of these bankers would call them fanatics, because they have a selfish interest in it. Some bankers know less about the monetary system than many who are not bankers. They want to control money to suit themselves and profit themselves, just like the railroad owners would like to control the Interstate Commerce Commission. If they had the power and the right, they would fix the rates to favor themselves, and I presume the gentleman would, if he owned the railroads and was on the Interstate Commerce Commission, because there is a little selfishness in all of us.

Mr. CRAWFORD. Referring back to the situation with reference to the guaranty of bank deposits and the elimination of interests on time deposits, may I submit this question: Does the gentleman believe that the banks of the United States would continue to purchase the direct obligations of the Government carrying rates of interest from  $1\frac{3}{4}$  up to  $2\frac{3}{4}$  percent if the banks had to pay interest of 2 percent or nearly that on demand deposits; in other words, if you eliminate the objection which the gentleman made a few minutes ago, taking away from banks the right to pay an interest rate, is it not true that you would eliminate the possibility of the Government to sell its direct obligations in the present situation?

Mr. PATMAN. It is possible it would affect the interest rates. However, a bank can lend several dollars to every one it has in reserve. If it should pay 2 percent and loan the same money six times at 4 percent it would be out \$2 on every hundred annually and receive \$24 for the use of the credit based upon that money each year. I am not so much interested in restoring interest rates on all deposits as I am on those of counties, States, and cities, those that are charged by law with receiving interest on their deposits. I think they, at least, should be restored. If the banks paid interest on deposits they would be more anxious to make loans. As it is, they do not have much incentive.

SPEECH BY HON. ROBERT H. JACKSON

I notice in the speech that was made by Mr. Robert Jackson, Assistant Attorney General of the United States, before the American Political Science Association at Philadelphia, December 29, 1937, that he said this:

I know too much about big business to attack labor for its struggle to get a decent wage or to blame it for this recession. Labor has had nowhere near the percentage advance that big business has given to its own darlings. Labor would be happy, I am sure, to get increases only in the same proportion and at the same time as managers of big business increase their own salaries.

He said:

I dislike to be personal, but it is a matter of public record that Mr. Sloan, of General Motors, received in 1934 a compensation of \$201,473.75. In 1935 it was advanced to \$374,505. In 1936 it was advanced again to \$561,311.

Was labor advanced that way? No. As prices were increased labor received just a small percentage. When the laboring man received \$1 it looks as though Mr. Sloan and his crowd we are talking about received several. Let us see:

Mr. Knudsen received in 1934, \$211,128.53. It was advanced in 1935 to \$374,475, and it was advanced again in 1936 to \$507,645. Of course, the executive, like the laborer, is worthy of his hire.

What does big business mean when it asks for Government cooperation? Does it mean the sort of cooperation that was given to it under the Hoover administration? We can think of no other. Then let us look at big business' own record under the "cooperative" administration of President Hoover and under the "hostile" administration of President Roosevelt.

In 1932 three building-material companies lost approximately \$3,000,000; in 1936 those same companies made a gross profit of approximately \$9,000,000.

In 1932 two mail-order houses lost eight million; in 1936 they made a profit above fifty million.



In 1932 three chemical companies made a profit of \$27,000,000; in 1936 they increased that profit to \$96,000,000.

In 1932 three farm-implement companies lost \$15,000,000; in 1936 they made a profit of \$44,000,000.

In 1932 four steel companies lost \$82,000,000; in 1936 they made \$70,000,000.

In 1932 two automobile companies lost \$11,000,000; in 1936 they made a profit of \$301,000,000.

In the face of those astounding profits under the present administration big business will never be able to convince the American people that it has been imposed upon, destroyed, or even threatened. It has merely been saved from ruin and restored to arrangement.

Mr. Jackson, in this speech, said further:

The unvarnished truth is that the Government's recovery program has succeeded nowhere else so effectively as in restoring the profits of big business. Labor has had no such advance. The small merchant has had no such prosperity. The small manufacturer has had no such advantage.

The only just criticism that can be made of the economic operations of the New Deal is that it set out a breakfast for the canary and let the cat steal it; it did not sufficiently guard recovery from the raids of the monopolist. One group in the United States that has no cause for complaint is the big-business group.

It is this sort of thing which makes their assault upon the administration and their general strike against the Government so unjustifiable. A few nights ago Joseph P. Kennedy, one of the ablest industrial statesmen and political statesmen in the United States, stood up and told his associates in business to stop their "bellyaching." It is refreshing to know a man who can put in good Kipling language the whole philosophy of big business. Its attitude to government is a chronic bellyache.

Many of the present leaders of big business are a hang-over. They are repeating with the same dismal results the threatening tactics they tried on Theodore Roosevelt during the "rich man's panic" that they precipitated in rebellion against his reforms.

It is time they reread the famous answer he made in October 1907 in Iowa, which is the only answer a self-respecting administration can make to a "strike of capital":

"\* \* \* At intervals during the last few months the appeal has been made to me not to enforce the law against certain wrongdoers of great wealth because to do so would interfere with the business prosperity of the country. Under the effects of that kind of fright which, when sufficiently acute, we call panic, this appeal has been made to me even by men who ordinarily behave as decent citizens. One newspaper which has itself strongly advanced this view gave prominence to the statement of a certain man of great wealth to the effect that the so-called financial weakness 'was due entirely to the admitted intention of President Roosevelt to punish the large moneyed interests which had transgressed the laws.' I do not admit that this has been the main cause of any business troubles we have had, but it is possible that it has been a contributory cause. If so, friends, as far as I am concerned, it must be accepted as a disagreeable but unavoidable feature in a course of policy which as long as I am President will not be changed \* \* \*."

#### THE RECORD

The profit record of big business under the "cooperative" administration of President Hoover and under the "hostile" administration of President Roosevelt

	Profit (+) and deficit (-)	
	1932	1936
Building materials:		
United States Gypsum Co.....	+\$1,599,416	\$5,328,114
Johns-Manville.....	-2,829,062	4,188,787
Certain-teed Products.....	-1,600,077	1-791,550
Glass:		
Pittsburgh Plate Glass.....	-60,737	15,321,834
Owens-Illinois Co.....	+2,067,886	10,099,131
Mail-order houses:		
Montgomery Ward.....	-5,686,784	13,527,310
Sears, Roebuck.....	-2,543,651	20,198,914
Chemicals:		
E. I. duPont de Nemours Co.....	+26,234,779	89,884,450
American Cyanamid Co.....	+349,725	4,454,930
Monsanto Chemical Co.....	+1,012,698	4,605,593
Communications: Western Union.....	-842,596	7,200,000
Heavy machinery:		
Fairbanks, Morse.....	-2,547,231	2,252,941
Briggs Manufacturing Co.....	-1,798,470	10,411,076
Worthington Pump Co.....	-1,668,287	248,497
Mesta Machine Co.....	+327,871	4,266,964
Farm implements:		
International Harvester.....	-7,582,879	29,760,372
J. I. Case Co.....	-2,611,082	3,063,281
Deere & Co.....	-5,167,104	11,001,306
Textiles:		
American Woolen Co.....	-7,269,822	1,929,963
Ludlow Manufacturing Associates.....	-400,632	1,918,845

Deficit. <sup>1</sup> Jan. 31, 1936. <sup>2</sup> Jan. 31, 1937. <sup>3</sup> Jan. 29, 1936. <sup>4</sup> Jan. 1, 1937.

#### THE RECORD—continued

The profit record of big business under the "cooperative" administration of President Hoover and under the "hostile" administration of President Roosevelt—Continued

	Profit (+) and deficit (-)	
	1932	1936
Amusements: Radio-Keith-Orpheum.....	-\$10,695,503	\$2,485,911
Steel:		
United States Steel Corporation.....	-71,175,705	50,583,356
Crucible Steel Co.....	-3,613,616	3,120,356
National Steel Corporation.....	+1,662,920	12,541,842
Jones & Laughlin Corporation.....	-7,910,149	4,129,600
Other metals:		
Anaconda Copper Mining Co.....	-16,855,870	15,881,830
American Smelting & Refining Co.....	-4,506,175	17,131,036
Motors:		
Chrysler Corporation.....	-11,254,232	62,110,543
General Motors Corporation.....	+165,000	238,705,193
Oils:		
Phillips Petroleum Co.....	+775,766	17,875,489
Sun Oil Co.....	+4,198,046	7,563,554
Electrical supplies: Westinghouse Electric.....	-8,615,398	15,099,291

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. My time is limited, but I yield for a question.

Mr. MAY. To what extent are the large profits of 1936 mentioned by the gentleman affected by mass production as compared with the smaller figures of 1932?

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to insert in my speech such excerpts from these speeches I have read from as I consider to be material to the speech I am making.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SADOWSKI. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. SADOWSKI. The gentleman has mentioned the high salaries that have been received by these automobile executives. Does the gentleman know what it would amount to in an hourly wage increase to the workers in these automobile factories?

Mr. PATMAN. I am not acquainted with that.

Mr. SADOWSKI. I will tell the gentleman. It would amount to about 3 cents an hour increase to the wage workers in these factories.

[Here the gavel fell.]

The SPEAKER pro tempore. Under the previous order of the House the gentleman from New York [Mr. REED] is recognized for 20 minutes.

Mr. MAVERICK. Will the gentleman yield for a unanimous-consent request?

Mr. REED of New York. I yield to the gentleman from Texas.

#### EXTENSION OF REMARKS

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend and revise the remarks I made this morning.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COFFEE of Washington. Will the gentleman yield for a unanimous-consent request?

Mr. REED of New York. I yield to the gentleman from Washington.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a brief address by Francis Gorman.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. MAVERICK. Mr. Speaker, reserving the right to object, may I say that another Member asked unanimous consent this morning to put a speech of a Cabinet member in the RECORD, but could not get it. Now, it seems the gentleman will get permission to include this speech. I think he should get permission, but we ought to establish a policy.

Mr. SNELL. Mr. Speaker, reserving the right to object, who is this man?

Mr. COFFEE of Washington. He is president of the International Textile Workers of America.

Mr. SNELL. Mr. Speaker, I object.

Mr. COFFEE of Washington. Mr. Speaker, I make the point of order that the gentleman's objection came too late.

The SPEAKER pro tempore. The gentleman from Texas reserved the right to object.

Mr. MAVERICK. Mr. Speaker, I merely wanted to show that a Republican got a long statement of a former member of the Cabinet, a Republican, in the RECORD, but that Republican objects to Democrats putting in important statements of present members of the Cabinet. That seems nonsensical. I withdraw my objection.

Mr. SNELL. I made another one. If you are fussy about this, we will watch you. You better be fair and generous about this proposition. If you want to be fussy, we can be, too.

Mr. MAVERICK. I thank the gentleman for his advice and I will humbly take it. It is very kind of the gentleman to advise me and tell me of his fairness and generosity.

But I think it worth while to remark that this "fussiness" referred to by the gentleman has been all on the Republican side, and generosity does not concern the subject. I do not oppose the gentleman from Washington having Mr. Gorman's speech in the RECORD. I believe that it should be in the RECORD if a Member of Congress, Republican or Democrat, believes it is of enough public importance to be included; also, Mr. Gorman is a man who says things worth hearing.

However, the point is, Republicans objected to my inserting a speech by the Secretary of the Interior, Mr. Ickes, and also objected to inserting a speech by Hon. Robert Jackson which was offered by the lady from New York [Mrs. O'Day]. What sense is there in objecting to such insertions? I can see none. Is it because the Republicans disagree? Is it because they do not want the truth to be known?

Today a Republican offered some matter that did not seem important to me; but he is a Congressman who had some purpose in getting this information before the public, and neither I nor any other Member of Congress objected. But I offer a speech of a member of the Cabinet of the United States, and the power of objection is used by a Republican to suppress this speech.

In the name of common sense, why? It will undoubtedly appear in the RECORD anyhow, on introduction in the Senate; thus it will not be suppressed in the end. Then what can we say to the objection? Nothing; it seems to me but an exhibition of Republican petulance.

There is something of much more importance. It merely means that we are continually knocking the prestige of the House of Representatives. We deny an ordinary privilege to ourselves which is always exercised by the Senate. We accomplish nothing by it; in fact, it does harm.

As far as I am concerned, I think this quibbling over printed matter in the RECORD is small stuff. The cost in comparison to the rest of the expense of government is practically nothing. The CONGRESSIONAL RECORD, dull though it may be, serves a purpose. It is really the only "daily paper" where the fullest freedom of speech actually exists.

As to the Ickes speech, there has been considerable distortion of it, and in any event a great deal of editorial and radio comment about it. Therefore the full, complete, unadorned speech ought as a matter of right and common sense be in the official records of this country and in the CONGRESSIONAL RECORD, so reference can be made to it.

The SPEAKER pro tempore. Under a previous special order the gentleman from New York [Mr. REED] is recognized for 20 minutes.

Mr. REED of New York. Mr. Speaker, I firmly believe that our Nation has suffered more from New Deal experimentation than it has from the effects of the post-war insanity, a malady that has brought so many countries to the brink of revolution and ruin. Throughout the struggle to master the depression the great middle-class people—a group that embraces

all those who by their labor, thrift, and enterprise have sought to be self-supporting and law-abiding—have looked to the administration for safe and constructive leadership. In this they have been disappointed.

Hitherto the President has been bitter, vindictive, unreasonable, and abusive to the very group to whom he must look and upon whom he must depend for the continued employment of those who now hold positions and for the restoration of employment to those who are now unemployed. The doctrine of hate may serve the purpose of one who aspires to dictatorial power—in fact, such is the technique of foreign dictators—but the incitement to class hatred and violence has no place under our form of government.

Cooperation of all the people under responsible leadership is the method by which a government such as ours should meet and solve its social and economic problems, not by means of violence and hatred directed by one class against another. The latter policy is destructive of free government. To hear the President abuse and pillory the businessmen of this country, as he did in his message of January 1936, as "selfish interests" and creatures of "entrenched greed" was, I am sure, a disappointment even to his partisan friends. The intemperate use to which the President put his high office revealed a reckless side to his character which is anything but reassuring to thoughtful citizens.

At the very time when President Roosevelt should have utilized his tremendous personal popularity and the prestige of his office to inspire national good will and confidence, this he failed to do, but instead he suffered and permitted the destructive and venal elements in society to resort to violence against both persons and property. Never before has the doctrine of class hatred and open warfare been proclaimed and encouraged by an administration as a means to attain its ends. The seeds of discord having been thus sown and carefully cultivated and nourished by every irresponsible mouthpiece of the administration, the harvest could yield nothing but a crop of disorder, uncertainty, and fear. The present depression has followed as a logical consequence of all of these policies, accentuated in its spread and intensity as a result of the enactment of the most unwise legislation ever placed upon the statute books of this country.

Mr. Speaker, the President, now seeking refuge from the consequences of his own defective policies, recently had two of his most vitriolic and irresponsible mouthpieces divert attention from the major cause of the depression by the delivery of inflammatory speeches calculated to make certain businessmen the scapegoats for this depression. The people did not react to these demagogic attacks as the President expected they would; therefore we find a note of conciliation in this particular message, but we are informed that another message is to follow.

Mr. Speaker, inasmuch as the spokesmen of the President have raised the issue of high prices as the cause of the depression, it is pertinent to inquire who has been most insistent that prices be raised?

Until I heard monopolies excoriated for committing such a crime I had been laboring under the delusion that the real objective of the President, even as far back as 1933, was to "raise the price level of commodities." I had come to believe that such was his purpose, because of his own statements that such was his avowed determination. Did he not say on May 4, 1933, that—

We have sought through moderate and wise measures to increase the volume of trade, to give employment to the unemployed, and to effect a broad elevation of commodity prices.

And again on October 22, 1933, he said:

I repeat what I have said on many occasions, that ever since last March the definite policy of the Government has been to restore commodity price levels.

This is plain English, Mr. Speaker, but the President in the same speech made some reservations as to just when he expected to reach his goal.

Obviously—

Said the President—

and because hundreds of different kinds of crops and industrial occupations in the huge territory that make up this Nation are



involved, we cannot reach the goal in only a few months. We may take 1 year or 2 years or 3 years.

If the rise in prices is responsible for the depression, as the spokesmen of the President would have the public believe, then the administration should gracefully accept its share of the responsibility. This must be so, because only yesterday the President reminded us that—

In every case power and responsibility must go hand in hand.

Mr. Speaker, as I understand it, the Silver Purchase Act, which, by the way, has just been extended by Executive action, was proclaimed by the President to be for the purpose of "raising commodity prices."

It is unthinkable that it had any other significance—surely not political, except to raise prices.

The devaluation of the gold dollar, so it was urged at the time, was to raise commodity prices.

I am almost certain that had not high prices been coincident with the depression the President would have thrilled the Nation with the words, "We planned it this way."

But on this question of monopolistic prices the administration does not present this issue with clean hands. What about legislative measures creating monopolies, the purpose being to raise the price level? I refer to the Guffey Coal Act, the National Recovery Act, the Petroleum Control Act, the Sugar Control Act, and the undistributed-profits provision of the 1936 Revenue Act.

Mr. Speaker, permit me to respectfully remind the President and also to call to the attention of the chosen prosecutor of monopolies to something which in their excitement over the depression they have overlooked. It is this: Except for the time that the Antitrust Acts were suspended by the President under the N. R. A., these laws have been and they still are in full force and effect. These acts are available to the President and to his prosecutor, and exclusively for their use, whenever they can find time to utilize them.

Mr. Speaker, it is too bad that these laws were overlooked and neglected by this administration until after this depression was so far advanced. If the statutes for prosecuting trusts are defective and baffling to the prosecutor, why has the administration waited 5 years to remedy these defects? As the President says, "Power and responsibility must go hand in hand."

I believe that the whole country yesterday was in a state of high tension and expectation, awaiting the suggestions of the President to bring us out of the present depression. Now, what did he offer in this message to inspire hope? The only two proposals that he stressed were the pending farm bill and the reconsideration of the defeated wage and hour bill.

Once before I recall and I am sure that the people of this country will recall that the President recommended farm measures calculated to produce scarcity and not abundance. The national income to which the President refers cannot be brought about by producing less. We had an example of this under a prior farm bill. A most devastating blow to one of our largest agricultural products, namely, cotton, resulted from the farm program proposed by the President. It lost to the cotton grower his world market.

Next to this, the importation of farm products, driving the price down in our domestic market, is inflicting most serious injury to the agriculturists.

Coupled with all this is a program that has raised prices of agricultural products to a point where it is almost impossible for the American farmer to sell in the world market. To be specific, the United States is the highest cost-production nation in the world, and, as I said a few days ago on the floor of this House, England comes next and other countries follow with still lower costs of production until we get to one of the lowest and one of our greatest competitors—Japan.

If it be true as has been claimed by the administration that the hope of the farmer is in remaining in the world market, it is self-evident that this cannot be done under any program that raises our cost of production far above that of our foreign competitors.

It is obvious to any person who will face the facts that the only market that is left open to the American farmer is the

domestic market and unless that market is protected from foreign imports every proposal of the President is absolutely futile.

What I have said with reference to foreign competition destroying any program that proposes to raise the prices of commodities in this country applies to American labor, as well. What would be the use of shorter hours and larger pay in the watch industry where foreign competition is now forcing a 4-day week. Look at these figures:

Number of watch movements imported:	
First 10 months of 1936.....	1,584,913
First 10 months of 1937.....	2,325,996

What would a minimum wage and shorter hours mean to the workers in the pottery business, many of whom are now on the relief rolls because Japan has taken the market for their products? Surely it is not to be expected that this industry will survive as a result of a wage and hour bill when the standard wage in this industry has been 70 cents an hour and the wages in the same line of employment in Japan are 37 cents a day.

How long will the glass business survive at 90 cents an hour with a 6-hour day when the same type of glass is made and shipped into this country by Japan at a day wage which only equals an hour wage here?

By limiting the hours of work and fixing the minimum pay of our industrial workers the President contends that their purchasing power will be increased. He asserts that the national income will be increased. He declares that the national income has increased from \$38,000,000,000 in 1932 to about \$68,000,000,000 in the year 1937. But let us not forget that in this period there has been an inflation in prices. In terms of the 1932 dollar the national income in 1937 is \$50,600,000,000, instead of sixty-eight billion. The president says that we can raise the national income to ninety or one hundred billion. Will this be done by further devaluing the dollar?

The President seems to believe that the proposed wage and hour legislation will increase the national income and thus increase the purchasing power of American labor. Is this the case? Let us remember that real national income is not measured in terms of dollars but in terms of goods and services produced by American industry and agriculture. The more goods and services we produce in this country the greater will be the real national income of the American people. The wage and hour legislation will reduce the amount of work that the American worker can do. The amount of goods produced will not be as great as they are at present and we will be using our productive capacity for fewer hours each day. The cost of production will be increased. The increase in the cost of production of our goods invites greater competition from abroad and at the same time it will reduce the export market for American goods. All in all, in terms of real national income it is difficult to see how this legislation will benefit the American workingman.

The idea that this Nation under the high-cost production policy, suggested by the President, can create a national income of a hundred billion dollars is preposterous and pure fantasy. The only conclusion that can be drawn is that he still entertains the belief that national wealth can be increased by a further devaluation of the dollar. Surely no person who has any familiarity with economic laws believes that any such goal can be reached by the pending farm bill or by the enactment of a wage and hour bill.

It is evident that the President does not believe it can be done, otherwise he would not ignore the promises he has made for the last 5 years to balance the Budget and come before this Congress with the admission that it cannot be balanced.

The President asks business for cooperation. I have not forgotten the last "breathing spell" which was interrupted by one of the most vicious taxes ever placed upon the statute books. This was the President's answer in the spring of 1936 to those who expected to breathe easily for a while. I refer to the undistributed-profits tax which is one of the major contributing causes of this depression.

The President has never given credit to the businessman for the foresight and good business practice of setting aside from earnings a substantial sum to meet the hazards of business which include, of course, depressions. The President seems to have overlooked the fact that from 1920 on business had been prudent in setting aside reserves. It was these reserves amounting to over \$34,000,000,000 which were utilized to keep hundreds of thousands of men employed and to pay dividends that were not earned during the depression, thus reducing the problem of relief and unemployment.

But the tax imposed in 1936 on undistributed profits has forced corporations to forego business prudence and has forced them to pay out the earnings instead of setting up a reserve to meet the very depression we are now in. It has thrown hundreds of thousands of men out of employment, and the end is not yet.

In view of the injury which has been done to the workingman and to industry by this indefensible tax the President, if he had wished to cooperate with the small business concerns of the country, would have made the repeal of this tax the first item of business at the special session of Congress.

But instead of doing this he sought to force through a wage and hour bill and other legislation that by no stretch of the imagination could possibly give employment to the unemployed. Worse than this, he ignored the problem presented by this tax—and wholesale unemployment is the result.

The President says he is not going to "let the people down."

I believe he has had the people "up in the air" too long already, and that if he would permit them to come down and stand on firm ground his prayer for cooperation would be answered. [Applause.]

Mr. KNUTSON. Will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Minnesota.

Mr. KNUTSON. According to the best available figures, American industry paid out for labor and material during the depression years 1929 to 1933, \$29,000,000,000 more than they took in. They could not have done that if they had not had an ample reserve.

Mr. REED of New York. That was in addition to the billions of dollars which they paid out from reserves.

Mr. KNUTSON. If the gentleman will remember that in 1933 the dollar equaled 100 cents, it not having been devalued at that time; that is another thing. If we take 40 percent from \$60,000,000,000, we will find that the income of the country today is only \$36,000,000,000.

Mr. REED of New York. Well, that increase in wealth is brought about through the process of the devaluation of the dollar.

Mr. CRAWFORD. Will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Michigan.

Mr. CRAWFORD. What the gentleman has stated today hits the nail on the head, in my opinion. I have been thinking along this line and I want to see if the gentleman agrees with me. Any time we participate in activities such as the P. W. A., the N. R. A., the A. A. A., and any kind of relief, does that not result in putting up prices, or supporting prices, and holding back production that should be coming on behind?

Mr. REED of New York. I may say to the gentleman that if Congress had not put on the statute books the undistributed-profits tax, but had permitted new industries to develop, and if we had given business the incentive to go ahead and expand its enterprises as it desired to do, we would not be in the situation in which we find ourselves at this time. We can never solve this problem along the lines of P. W. A. and all that. It just cannot be done. There is one way, and only one way, by which the unemployed can be put to work. There is only one way by which we can move forward and not obstruct economic conditions, and that is to repeal such laws as may hinder business so that business may go ahead and

employ people, expand, and produce goods. We have heard from the administration time and again on this floor that what we need to bring about prosperity is the recapture of our foreign markets. Everyone knows we lost the foreign market as a result of the program of the present administration.

Mr. CRAWFORD. Pushing up prices, for instance?

Mr. REED of New York. We are the highest production-cost country in the world. Great Britain comes next. These two countries have a first mortgage on every bit of property they own of \$100,000,000,000. Most of the countries wiped out their internal debts. Take Japan, for instance, with devalued currency and her low labor cost, with her people living on a little rice and a little fish, but having the same technological improvements we have, with her people working for from 20 to 37 cents a day—how can we meet this competition and high cost of production? That country sends her goods over here to our market and displaces our labor. You have seen recently labor having bonfires with which to burn Japanese goods. Labor realizes it is being put out of work and today our laboring men are on short hours because of the importation of those things which ordinarily would be manufactured by our own labor.

Mr. CRAWFORD. Is it not true that the wealth of Japan is increasing by leaps and bounds through the production of goods and the movement of those goods into world markets at whatever price the world will give?

Mr. REED of New York. Certainly; and Japan is moving those goods at low rates in her own bottoms. I am not going into the question of trade treaties today, but I am going to do so very soon. I am going to show how the workingmen of this country are being raped and how agriculture is being ruined by such tactics.

Mr. BEITER. Will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from New York.

Mr. BEITER. The gentleman is usually fair in his statements, but in his opening remarks he attacked the President and said that the President had attacked business, leaving the impression that the President was opposed to all big business, which is not the fact, because in his statement yesterday the President said:

The overwhelming majority of businessmen and bankers intend to be good citizens. Only a small minority have displayed poor citizenship by engaging in practices which are dishonest or definitely harmful to society.

Mr. REED of New York. I have read that message forward and backward. The reason he made his mild statement was because of the unfavorable reaction in this country to the vitriolic attacks of his Cabinet member. [Applause.]

[Here the gavel fell.]

Mr. HILL of Washington. Mr. Speaker, I ask unanimous consent to address the House for 1 minute to make an announcement.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

DR. JOHN W. SUMMERS

Mr. HILL of Washington. Mr. Speaker, it is with deep regret that I announce to the Members of this body the death September 25, 1937, of Dr. John W. Summers, of Walla Walla, Wash. He served the people of the Fourth Congressional District faithfully for 14 years and many of you older Members will remember his genial smile and sterling character.

Although I differed with him in political faith, I had a high regard for him as a man and as an opponent. He never stooped to personalities in the several campaigns in which we engaged and I was glad to reciprocate in this respect.

In closing, I want to say that he was one of the pioneers in urging the development of the Columbia Basin, and, with others, laid the foundations for that greatest of modern projects, the Grand Coulee Dam.

He was ever the friend of agriculture and reclamation.



## EXTENSION OF REMARKS

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a very short editorial published in the Sunday Star in connection with the Public Works Administration.

Mr. SNELL. Mr. Speaker, reserving the right to object, in line with the suggestion of the majority leader made earlier today I am going to object to any editorials being inserted in the RECORD.

Mr. BEITER. Will the gentleman from New York reserve his objection?

Mr. SNELL. Yes.

Mr. BEITER. Can the gentleman tell me whether the Senate is still in session? If it is, I will go over there and have the Senate asked to put this matter in the RECORD.

Mr. SNELL. I do not care anything about the Senate. I am doing this on my own responsibility.

The SPEAKER. The gentleman from New York objects.

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to address the House for 7 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GIFFORD. Mr. Speaker, for some 10 years I have been a pupil of the gentleman from Texas [Mr. PATMAN]. I fear, however, that he does not feel I am an apt pupil. I would ask you to read some of his addresses of 8 and 10 years ago. I believe he has changed very much more than I.

A good deal of what the gentleman from Texas said this afternoon was leading up to one thing, and I want to ask you to keep it in mind. Do away with those people who know and now control. Give their places to a politically appointed board, to be selected by a President, who will thereby have full control, and let those have complete power who know but little about economics by comparison with those who now use the Nation's wealth for the Nation's benefit, even though there are undoubtedly exceptional instances in which there is misuse.

Have we not of late had lessons enough? His argument seemed to favor small units. Let us divide the holdings of Knudsens and the Sloans and have many little manufacturing plants, each official thereof receiving a fair salary, and then pay very, very high prices for the products which you buy. Let him continue to poison your minds against anything which is big, but let him tell you also how much of Mr. Sloan's money the Government has taken through income taxes and the further toll to be taken at his death.

How they have tried today to get into the RECORD the Ickes and the Jackson speeches. Perhaps you read these verses, which appeared in an early edition, as I did. I am familiar with that grand old hymn, the Recessional. I wish the peals of the organ could be joined with the words of this poem. Let me read it to you.

When Jacksons rant and Ickes rage,  
And hymns of hate prolong our night;  
When sawdust saviors strut our stage,  
And statesmanship turns black to white \* \* \*  
Lord God of Hosts, be with us yet,  
Lest we forget—lest we forget.

When pride of power and mad desire  
Give impulse to our ruthless will;  
When crazed ambition's frenzied fire  
Incites to pillage, rape, and kill \* \* \*  
O Lord of Hosts, be with us yet,  
Lest we forget—lest we forget.

Shall we forget our glorious past? Sacrifice all the gains we have made in 150 years? Curse all those who have built us up to where we are? Nail to the cross all big things? The Federal Reserve bank has been completely in harmony with this administration. It has taken care of the administration's borrowings and financial troubles. About 2 months ago open-market operations were discontinued at a time when they were badly needed. Was it not with the entire approval of the administration? It is governmental influence and dictation which has caused most of our financial troubles.

Let us keep our feet on the ground, think straight, and not be led astray by those who would rail at things and try to make us believe what simply is not so. [Applause.]

## WILLIAM A. RODENBERG

Mr. KNUTSON. Mr. Speaker, on September 10 last, while Congress was in adjournment, there passed away in a hospital at Alpena, Mich., a former colleague who served in this House for 20 years with distinction and fidelity. I refer to the Honorable William A. Rodenberg, of Illinois.

Mr. Rodenberg and his wife had gone to Fairview, Mich., for a visit at the summer home of former Senator and Mrs. James A. Reed, and while there he met with a distressing accident which 10 days later resulted in his death.

Mr. Rodenberg was born near Chester, Randolph County, Ill., October 30, 1865; attended the public schools and was graduated from Wesleyan College, Warrenton, Mo., in 1884; engaged in teaching for 7 years; attended the St. Louis Law School; was admitted to the bar in 1893 and commenced practice in East St. Louis the same year. Mr. Rodenberg was a delegate to the Republican national convention in St. Louis in 1896 and at Chicago in 1908, 1916, and 1920. At the latter convention he was chosen because of long personal friendship and his matchless eloquence to place in nomination for the Presidency Hon. Frank O. Lowden.

Mr. Rodenberg was elected to the Fifty-sixth Congress, March 4, 1899, and in 1901 was appointed a member of the Civil Service Commission by President McKinley and served until April 1, 1902, when he resigned. He then resumed the practice of law in East St. Louis and was elected to the Fifty-eighth and to the four succeeding Congresses, March 4, 1903–March 3, 1913, but was swept out of office in the tidal wave of 1912 which resulted from the schism in the Republican Party. However, he came back stronger than ever 2 years later and served in this body without interruption until March 3, 1923, when he voluntarily retired to private life.

I think that I may safely say that Mr. Rodenberg was one of the outstanding Members of this House. He had a fine mind and his fund of information seemed limitless. He was particularly helpful to new Members and his big heart embraced all humanity. The world will never know of his many benefactions. He took a genuine delight in helping those who were less fortunate. Besides a host of friends, a number of whom are yet Members of this body and the Senate, he left to mourn his untimely death his faithful wife, Mary Ridgway Rodenberg, and two sons, William Ridgway Rodenberg, who is a successful lawyer with offices in Washington and Chicago, and Robert Ridgway Rodenberg, a well-known newspaperman.

Peace to his ashes.

## EXTENSION OF REMARKS

Mr. MAPES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a statement of the former Secretary of State, Henry L. Stimson, on the Ludlow resolution.

The SPEAKER. Is there objection to the request of the gentleman from Michigan.

There was no objection.

## PERMISSION TO ADDRESS THE HOUSE

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent that on Monday, January 10, after disposition of business on the Speaker's desk and the completion of the legislative program for the day, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mrs. HONEYMAN (at the request of Mr. RAYBURN), for 1 week, on account of official business.

To Mr. COLE of Maryland (at the request of Mr. KENNEDY of Maryland), indefinitely, on account of illness.

To Mr. HULL (at the request of Mr. BOILEAU), for today, on account of illness.

#### ORDER OF BUSINESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, with respect to the program for the remainder of the week, I may say to those present and for the RECORD that on tomorrow the Calendar of Committees will be called, and the Committee on Interstate and Foreign Commerce would be reached with a rather important bill, but one member of the subcommittee that worked on this bill, the gentleman from Kentucky [Mr. CHAPMAN], had the great misfortune this morning to lose his father. The committee is very anxious to go along with the bills it has reported, but in deference to the gentleman from Kentucky [Mr. CHAPMAN] and his interest in this measure they are not going to claim their time tomorrow, and it is presumed the Committee on the Merchant Marine and Fisheries will be reached. I hope it will be agreeable to the House for the Committee on the Merchant Marine and Fisheries to have the call on tomorrow; and I therefore ask unanimous consent, Mr. Speaker, that on the following Wednesday, when, of course, the gentleman from Kentucky [Mr. CHAPMAN] will be back, it may be in order to allow the Committee on Interstate and Foreign Commerce to have the call.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, tomorrow, of course, will be Calendar Wednesday, and I may say it is the intention to take up the independent offices appropriation bill on Thursday for general debate. I have talked with the minority leader and the gentleman from Virginia [Mr. WOODRUM], the chairman of the subcommittee, and I understand the gentleman from Virginia expects to ask for Thursday and Friday for general debate and begin reading the bill for amendment on either Monday or Tuesday of next week.

#### EXTENSION OF REMARKS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a certain comment by a businessman on the outlook for industry and business in 1938.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

#### ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 37 minutes p. m.) the House adjourned until tomorrow, Wednesday, January 5, 1938, at 12 o'clock noon.

#### COMMITTEE HEARINGS

##### COMMITTEE ON THE JUDICIARY

The Special Bankruptcy Subcommittee of the Committee on the Judiciary will continue a public hearing on the Frazier-Lemke bill (S. 2215) to amend section 75 of the Bankruptcy Act, in the Judiciary Committee room at 346 House Office Building, on Wednesday, January 5, 1938, at 10 a. m.

##### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. MARTIN's subcommittee of the Committee on Interstate and Foreign Commerce will meet at 10 a. m. Wednesday, January 5, 1938, to continue hearings on H. R. 4722 and H. R. 4214, sales bills.

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, January 11, 1938. Business to be considered: Hearing on S. 69, train-length bill.

##### COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings on H. R. 8532, to amend the Merchant Marine Act of 1936, and for other purposes, Tuesday, January 11, 1938, at 10 a. m.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

945. A letter from the Secretary of the Treasury, transmitting report of payments of salary, commission, bonus, or other compensation compiled from income returns filed for the calendar year 1936; to the Committee on Ways and Means.

946. A letter from the Clerk of the House of Representatives, transmitting a report for the period from July 1, 1936, to June 30, 1937, both inclusive, giving names of statutory and contingent-fund employees of the House and their respective compensations, including clerks to Members; the expenditures from the contingent fund and from certain specific appropriations; to the Committee on Accounts.

947. A letter from the Secretary of the Interior, transmitting a report of the War Minerals Commission covering the period December 1, 1936, to November 30, 1937, inclusive; to the Committee on Expenditures in the Executive Departments.

948. A letter from the president, Board of Commissioners of the District of Columbia, transmitting a report of the government of the District of Columbia for the year ended June 30, 1937; to the Committee on the District of Columbia.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARTON: A bill (H. R. 8805) to abolish the War Finance Corporation, and for other purposes; to the Committee on Banking and Currency.

Also, a bill (H. R. 8806) to repeal certain provisions of the Emergency Banking Act of 1933, and for other purposes; to the Committee on Banking and Currency.

By Mr. HILDEBRANDT: A bill (H. R. 8807) to provide for the classification of star routes, the employment and compensation of star-route mail carriers, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. CITRON: Resolution (H. Res. 390) regarding monopolies and price fixing in basic materials necessary for construction of homes and buildings; to the Committee on Rules.

By Mr. MAVERICK: Resolution (H. Res. 391) creating a select committee of the House of Representatives to investigate all affairs of the Tennessee Valley Authority; to the Committee on Rules.

By Mr. COLLINS: Joint resolution (H. J. Res. 548) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

Also, joint resolution (H. J. Res. 549) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MAVERICK: Joint resolution (H. J. Res. 550) authorizing the Federal Trade Commission to make an investigation of the Tennessee Valley Authority; to the Committee on Interstate and Foreign Commerce.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM: A bill (H. R. 8808) to place Herbert L. Lee, formerly a captain in the Field Artillery Corps, United States Army, on the emergency officers' retired list; to the Committee on Military Affairs.

By Mr. CARLSON: A bill (H. R. 8809) granting a pension to Rebecca J. Reynard; to the Committee on Invalid Pensions.



By Mr. LORD: A bill (H. R. 8810) for the relief of the widow and children of James Patrick Mahar; to the Committee on War Claims.

By Mr. RANDOLPH: A bill (H. R. 8811) granting a pension to Marcellus W. Mace; to the Committee on Pensions.

By Mr. REECE of Tennessee: A bill (H. R. 8812) granting a pension to Josie Justus; to the Committee on Invalid Pensions.

By Mr. REILLY: A bill (H. R. 8813) granting an increase of pension to Clara I. Mullen; to the Committee on Invalid Pensions.

By Mr. RICH: A bill (H. R. 8814) granting a pension to Maud Phillips; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8815) granting a pension to Orvey Raymond Fry; to the Committee on Invalid Pensions.

By Mr. RIGNEY: A bill (H. R. 8816) for the relief of Herbert F. Wascher; to the Committee on Claims.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3702. By Mr. CASE of South Dakota: Resolution of the Department of South Dakota, Regular Veterans' Association, through George Spindler, commander, and Marco Milazzo, adjutant, Hot Springs, S. Dak., urging a just and equitable disability pension for those disabled in line of duty and for their dependents; to the Committee on Pensions.

3703. Also, petition of A. V. Hall, Thor Olsen, Seth Johnson, and 21 other residents of Kennebec, S. Dak., protesting against the levying of any excise or processing taxes on primary food products; to the Committee on Ways and Means.

3704. Also, resolutions of the South Dakota State legislative board, Brotherhood of Locomotive Firemen and Engineers, relative to the dropping of railway lines for other star-route carriers; to the Committee on the Post Office and Post Roads.

3705. Also, resolution of the Industrial Employees' Union, Inc., Local 20, District 10, Rapid City, S. Dak., urging appropriate action be taken to protect American workmen in their rights to affiliate with such labor organizations as they may desire and to bargain collectively with employers through representatives of their own choosing, without interference or dictation by any governmental agency; to the Committee on Labor.

3706. By Mr. COLDEN. Assembly Joint Resolution No. 52, passed by the Legislature of the State of California and filed with the secretary of state of that State June 1, 1937, urging the enactment of legislation providing that Federal aid to State veterans' homes be increased over the present allowance of \$120 per year per capita, but not in excess of one-half of the per capita cost of maintaining a veteran; and a resolution passed at the national convention of the American Legion held in New York City on September 20, 21, 22, and 23, 1937, asking that Federal aid in such cases be increased to \$240 per capita per annum; to the Committee on Appropriations.

3707. Also, resolution adopted by the District Council, No. 4, of the Maritime Federation of the Pacific Coast, San Pedro, Calif., urging that the Federal Government cooperate with State and local authorities in providing relief for unemployed and needy nonresident seamen, such provision being necessary because of the inability of such seamen to establish legal residence, due to the migratory nature of their calling; to the Committee on Appropriations.

3708. Also, resolution adopted by the Board of Supervisors of the County of Los Angeles, Calif., regarding the policy of the Federal Government of granting Federal aid to the Nation-wide plan of conservation projects, including flood control and water conservation; to the Committee on Appropriations.

3709. Also, petitions containing the names of 76 citizens of Los Angeles, Calif., urging favorable consideration of House bill 8540, which would provide for the establishment of a national lottery; to the Committee on the Judiciary.

3710. By Mr. DIXON: Petition of the Ohio House of Representatives of the Ninety-second General Assembly, memorializing President Franklin D. Roosevelt and Congress to continue the Works Progress Administration in Ohio; to the Committee on Appropriations.

3711. By Mr. MERRITT: Petition of the Chamber of Commerce of the Borough of Queens, N. Y., strongly urging upon the President and the Congress the repeal of the undistributed-profits tax and the capital-gains tax; that the Budget must be balanced within the next year through sound economies in the Federal Government; that the Wagner National Labor Relations Act be revised and clarified, its terms made equitable, thus fostering better relations between employer and employee; that the so-called wage and hour bill be dropped; that Congress must reconstitute itself with such of its constitutional rights and powers as were abrogated in the name of emergency; and that Government and business must foster mutual respect and confidence, each for the other; to the Committee on Ways and Means.

3712. Also, petition of the Chamber of Commerce of the Borough of Queens, N. Y., strongly urging upon the President and the Congress the repeal of the undistributed-profits and capital-gains taxes; that the Budget must be balanced within the next year through sound economies in the Federal Government; that the Wagner National Labor Relations Act be revised and clarified, its terms made equitable, thus fostering better relations between employer and employee; that the so-called wage and hour bill be dropped; that Congress must reconstitute itself with such of its constitutional rights and powers as were abrogated in the name of emergency; and that Government and business must foster mutual respect and confidence, each for the other; to the Committee on Ways and Means.

3713. By Mr. SANDERS: Petition of citizens of Longview and Pittsburg, Tex., protesting against the entrance of the United States into any foreign wars; to the Committee on Foreign Affairs.

3714. By Mr. WIGGLESWORTH: Petition of the Wollaston Post, No. 295, the American Legion, Quincy, Mass., opposing the proposed war referendum resolution; to the Committee on the Judiciary.

3715. By the SPEAKER: Petition of the United Federal Workers of America, district organization committee, Washington, D. C., requesting consideration of their resolution dated December 17, 1937; to the Committee on Indian Affairs.

## SENATE

WEDNESDAY, JANUARY 5, 1938

The Chaplain, Rev. Zebarny T. Phillips, D. D., offered the following prayer:

O Thou, who art the life of mortal men, the light of the faithful and the strength of those who labor: Be very near to us this day, in our heart and about our path, that we may find joy in the doing of our work. Grant to Thy servants here grace to withstand whatever temptations may beset them, to the strengthening of character, so that where men's hearts fail them for very fear we may bring hope and courage. Give us the passionate will to remove all that hinders the highest development of Thy children, and wisdom to search out and destroy the causes of injustice and social wrong.

At this hour we pause to commend to Thine especial care our brother-beloved, upon the commemoration of whose natal day but yesterday men paid grateful tribute. Watch over him, dear Father, as his days increase; bless and guide him wherever he may be, keeping him unspotted from the world, and in his heart may Thy peace, which passeth understanding, abide all the days of his life. Through Jesus Christ our Lord. Amen.

JOSEPH F. GUFFEY, a Senator from the State of Pennsylvania; PAT HARRISON, a Senator from the State of Mississippi; JOHN OVERTON, a Senator from the State of